





सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

₹500

e-Stamp

Certificate No. : IN-DL77074262221260W  
Certificate Issued Date : 25-Oct-2024 12:19 PM  
Account Reference : IMPACC (IV)/ dl971203/ DELHI/ DL-DLH  
Unique Doc. Reference : SUBIN-DL97120303221021846881W  
Purchased by : EARLYSALARY SERVICES PRIVATE LIMITED  
Description of Document : Article 5 General Agreement  
Property Description : Not Applicable  
Consideration Price (Rs.) : 0  
(Zero)  
First Party : EARLYSALARY SERVICES PRIVATE LIMITED  
Second Party : VARDHMAN TRUSTEESHIP PRIVATE LIMITED  
Stamp Duty Paid By : EARLYSALARY SERVICES PRIVATE LIMITED  
Stamp Duty Amount(Rs.) : 500  
(Five Hundred only)

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₹500

Please write or type below this line

IN-DL77074262221260W

This Stamp Paper forms an integral part of the Debenture Trust Deed dated October 29, 2024 between Early Salary Services Private Limited and Vardhman Trusteeship Private Limited at New Delhi.

For EARLY SALARY SERVICES PVT. LTD.

AUTHORISED SIGNATORY

For Vardhman Trusteeship Pvt. Ltd.

Authorised Signatory

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

## DEBENTURE TRUST DEED

This debenture trust deed ("**Deed**") is made at New Delhi, India on October 29, 2024 ("**Effective Date**") between:

1. **EARLYSALARY SERVICES PRIVATE LIMITED**, a company incorporated under Companies Act, 1956 with corporate identification number ("**CIN**") U67120PN1994PTC184868 and registered with the Reserve Bank of India as a non-banking financial company, having its registered office at Unit No. 404, The Chambers, Viman Nagar, Pune, Maharashtra - 411014, India and its office at Unit NO 886 Aggarwal Millennium Tower-II Netaji Subhash Place Pitam Pura Delhi 110034 (hereinafter referred to as the "**Company**", which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns);

**AND**

2. **VARDHMAN TRUSTEESHIP PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956 with CIN U74999PN1997PLC110262, having its registered office at 3rd Floor, Room No - 15 6, Lyons Range, Turner, Morrison House, Kolkata, West Bengal, 700001 and acting through its corporate office at The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India and other office at 411, 4th Floor, Antriksh Bhawan, 22, KG Marg, Connaught Place, New Delhi - 110001 (hereinafter referred to as the "**Debenture Trustee**", which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns).

(The Company and the Debenture Trustee are hereinafter collectively referred to as the "**Parties**", and individually as a "**Party**".)

### BACKGROUND:

- A. With a view to raising debt for the Purpose (as defined below), the Company proposes to issue up to 10,000 (Ten Thousand) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Indian Rupees One Hundred Crore Only) ("**Debentures**" / "**NCDs**") comprising of (a) a base issue of 7,500 (Seven Thousand Five Hundred) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores Only) and (b) a green shoe option of 2,500 (Two Thousand Five Hundred) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating up to INR 25,00,00,000/- (Indian Rupees Twenty Five Crores Only) ("**Green Shoe Option**") at par, in dematerialised form on a private placement basis to certain identified investors ("**Issue**").



- B. The Company has issued Debt Disclosure Documents prepared in accordance with SEBI NCS Listing Regulations and Section 42 of the Companies Act (as defined below) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, to investors who shall subscribe to the Debentures, on a private placement basis, and which, *inter alia*, sets out the broad terms and conditions on which the Debentures are proposed to be issued.
- C. The Company is duly empowered by its memorandum of association and its articles of association, and proposes to allot and issue the Debentures pursuant to the authority granted to it by the special resolution March 21, 2024 of the shareholders of the Company under Section 42 of the Companies Act, the special resolution dated March 21, 2024 of the shareholders of the Company under Section 180(1)(c) of the Companies Act, the resolutions dated March 21, 2024 of the board of directors of the Company, read with the resolution dated October 25, 2024 of the borrowing committee of the board of directors of the Company (collectively, the "**Resolutions**"), to the successful Applicants who shall subscribe to, in the aggregate, all of the Debentures.
- D. The Debentures have been/will be issued in dematerialised form and are subject to the provisions of the Depositories Act, 1996 and the rules notified by the National Securities Depository Limited ("**NSDL**") and/or Central Depository Services (India) Limited ("**CDSL**") from time to time. The Company has entered into/will enter into an agreement with the Depository (as defined below) for issuing the Debentures in the dematerialised form.
- E. The Company has obtained a credit rating for the Debentures from the Rating Agency (as defined below), which has affirmed a rating of "CARE A- (Stable)" to the Issue through its letter dated October 24, 2024 ("**Rating**").
- F. The Debenture Trustee is registered with the Securities and Exchange Board of India ("**SEBI**") as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended, modified, supplemented or restated from time to time, the "**Debenture Trustees Regulations**") and pursuant to the consent letter dated October 23, 2024 from the Debenture Trustee, the Debenture Trustee has agreed to act as the debenture trustee in trust for and on behalf of and for the benefit of the Debenture Holders (as defined below) from time to time, and each of their successors and assigns.
- G. The Debenture Trustee and the Company have entered into a debenture trustee agreement dated October 25, 2024 ("**Debenture Trustee Agreement**") executed between the Debenture Trustee and the Company, whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as a debenture trustee on behalf of and for the benefit of the Debenture Holders for purposes set out therein.
- H. The Debentures are proposed to be/have been listed on the wholesale debt market segment of the BSE (as defined below) within the timelines prescribed under the SEBI Listing Timelines Requirements (as defined below).
- I. One of the terms of the Issue is that the redemption of the Outstanding Amounts (as defined below) will, *inter alia*, be (a) secured by way of a first ranking exclusive and continuing charge over the Hypothecated Assets (as defined below) on or prior to the Deemed Date of Allotment (as defined below) in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders), and (b) supported by way of a guarantee to be provided by the Guarantor (as defined below), in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holder(s)).
- J. The Company is desirous of executing a debenture trust deed to record the terms and conditions of the Issue, the appointment of the Debenture Trustee, and the Company's obligations in respect of the Debentures (including without limitation, the redemption of the Debentures and payment of all costs and expenses thereof).



- K. Accordingly, the Debenture Trustee has called upon the Company to execute a debenture trust deed on the terms contained herein wherein, in accordance with the requirements prescribed under the Debenture Trustees Regulations, Part A contains the general and statutory obligations of the Parties, Part B contains the commercial terms and the transaction specific obligations of the Parties, and Part C contains the other miscellaneous provisions in relation to the Debentures.

NOW THEREFORE, FOR THE CONSIDERATION AFORESAID, THE COMPANY HEREBY AFFIRMS AND AGREES AS FOLLOWS:

**OPERATIVE TERMS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed, the following terms have the following meanings:

- (1) "**Act**" or "**Companies Act**" means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
- (2) "**Applicable Accounting Standards**" means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).
- (3) "**Applicable Law**" means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
- (4) "**Applicant**" means a person who has submitted a completed Application Form to the Company, and "**Applicants**" shall be construed accordingly.
- (5) "**Application Form**" means the application form in the Debt Disclosure Documents.
- (6) "**Application Money**" means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
- (7) "**Assets**" means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Applicable Accounting Standards.
- (8) "**Assets Under Management**" means the aggregate of (a) the Client Loans on the balance sheet of the Company, and (b) the loans originated, securitised/assigned and serviced by the Company.
- (9) "**Beneficial Owners**" means the holders of the Debentures in dematerialised form whose name is recorded as such with the Depository in the Register of Beneficial Owners, and "**Beneficial Owner**" shall be construed accordingly.
- (10) "**Business Day**" means:
  - (a) in respect of payment of interest or principal, any day on which the money markets are working in Mumbai, India; and
  - (b) in respect of any purpose other than as mentioned in (a) above, any day (other than a Saturday, a Sunday or a public holiday under Section 25 of the Negotiable

Instruments Act, 1881) on which banks and money markets are open for general business in Mumbai, India,

and "**Business Days**" shall be construed accordingly.

- (11) "**Capital Adequacy Ratio**" means the capital adequacy ratio determined in accordance with the criteria prescribed by the RBI (including pursuant to the NBFC Directions).
- (12) "**CDSL**" has the meaning given to it in Recital D above.
- (13) "**CERSAI**" means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
- (14) "**Client Loan**" means each loan disbursed by the Company as a lender, "**Client Loans**" shall be construed accordingly.
- (15) "**Company Rating**" means the rating of the Company as on the Effective Date, being CARE A-(Stable).
- (16) "**Conditions Precedent**" means the conditions precedent set out in Schedule I Part A (*Conditions Precedent*).
- (17) "**Conditions Subsequent**" means the conditions subsequent set out in Schedule I Part B (*Conditions Subsequent*).
- (18) "**Constitutional Documents**" means the certificate of incorporation of the Company, the memorandum of association and articles of association of the Company and the certificate of registration issued by the RBI to the Company.
- (19) "**Control**" shall have the meaning give to it under the Companies Act, 2013.
- (20) "**Corporate Guarantee**" means the unconditional and irrevocable corporate guarantee on or about the Effective Date provided by the Guarantor in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders), guaranteeing the Secured Obligations.
- (21) "**Cure Period for Financial Covenants**" means a period of 21 (twenty-one) days from the date of testing of the financial covenants wherein breach of any of the financial covenants set out in Clause 10.3 (*Financial Covenants*) has occurred.
- (22) "**Debentures**" has the meaning given to it in Recital A.
- (23) "**Debenture Holders**" has the meaning given to it in Clause 2.1 and for any subsequent Debenture Holders, each person who is:
- (a) registered as a Beneficial Owner; and
  - (b) registered as a debenture holder in the Register of Debenture Holders.
- Sub-Clauses (a) and (b) shall be deemed to include transferees of the Debentures registered with the Company and the Depository from time to time, and in the event of any inconsistency between sub-Clauses (a) and (b) above, sub-Clause (a) shall prevail.
- (24) "**Debenture Trustee Agreement**" has the meaning given to it in Recital G above.

- (25) "**Debenture Trustees Regulations**" has the meaning given to it in Recital F above.
- (26) "**Debt Disclosure Documents**" shall mean general information document, key information document prepared in accordance with Schedule I of SEBI NCS Listing Regulations and PPOA prepared in accordance with Section 42 of the Companies Act (as defined below) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (27) "**Deed of Hypothecation**" has the meaning given to it in Clause 6.1(a).
- (28) "**Deemed Date of Allotment**" has the meaning given to it in Clause 2.3(a).
- (29) "**Depository**" means the depository with whom the Company has made arrangements for dematerialising the Debentures, being NSDL and/or CDSL.
- (30) "**Designated Stock Exchange**" shall mean the stock exchange designated by the Issuer under the General Information Document and Key Information Document being BSE for the purposes of maintaining the recovery expense fund in terms of Regulation 11 of the SEBI NCS Listing Regulations read with Master Circular for Debenture Trustee.
- (31) "**DRR**" has the meaning given to it in Clause 2.10(a).
- (32) "**Due Dates**" means, collectively, each Interest Payment Date, each Redemption Date, and all other dates on which any interest, additional interest or liquidated damages and/or any other amounts including pursuant to Clause 7.2 (*Additional Interest*) and Clause 8.2 (*Early Redemption*), are due and payable.
- (33) "**Early Redemption Event(s)**" means the occurrence of any one or more of the following events:
- (a) the rating of the Debentures is downgraded to below CARE BBB (Stable);
  - (b) the Company does not create and/or perfect the Transaction Security within the time period prescribed under the Transaction Documents;
  - (c) breach of any covenant (including negative covenants, financial covenants, reporting covenants and affirmative covenants) and the same is not cured within the cure period as stated in the Transaction Documents;
  - (d) any events or circumstances set out in Clause 11.2 (*Events of Default*) below in relation to which no action has been taken/initiated by the Debenture Trustee/Debenture Holders in accordance with Clause 11.1 (*Consequences and Remedies*) below; and/or
  - (e) any other event as may be agreed between the Company and the Debenture Holders.
- (34) "**Early Redemption Exercise Notification**" has the meaning given to it in Clause 8.2(a) (*Early Redemption*).
- (35) "**Event of Default**" means the events set out in Clause 11.2 (*Events of Default*).
- (36) "**Green Shoe Option**" has the meaning given to it in Recital A.
- (37) "**Financial Indebtedness**" means any indebtedness for or in respect of:
- (a) monies borrowed;

- (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
  - (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument;
  - (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease;
  - (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
  - (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
  - (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
  - (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;
  - (i) any obligation under any put option in respect of any securities;
  - (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
  - (k) any corporate/~~personal~~ guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and
  - (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
- (38) "**Financial Year**" means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
- (39) "**Final Redemption Date**" means the date occurring on the expiry of a period of 18 (Eighteen) months and 6 (Six) days from the Deemed Date of Allotment, being May 06, 2026.
- (40) "**Final Settlement Date**" means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
- (41) "**General Information Document**" means the general information document dated September 16, 2024 issued by the Issuer for the issue of the non-convertible Securities on a private placement basis in accordance with Applicable Laws.
- (42) "**Governmental Authority**" means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law, and "**Governmental Authorities**" shall be construed accordingly.



- (43) "**Gross Loan Portfolio**" means the outstanding principal amount of all Client Loans originated by the Company on its own books and the Off-Balance Sheet Portfolio, other than the Company's business correspondent portfolio.
- (44) "**Guarantor**" means Social Worth Technologies Private Limited, a company incorporated under the Companies Act, 2013 with CIN U72200PN2015PTC157014, and having its registered office at Unit No. 404, The Chambers, Viman Nagar, Pune, Maharashtra - 411014, India.
- (45) "**Holding Company**" means Social Worth Technologies Private Limited, a company incorporated under the Companies Act, 2013 with CIN U72200PN2015PTC157014, and having its registered office at Unit No. 404, The Chambers, Viman Nagar, Pune, Maharashtra - 411014, India.
- (46) "**Hypothecated Assets**" has the meaning given to it in Clause 6.1(a).
- (47) "**INR**" has the meaning given to it in Recital A.
- (48) "**Interest Payment Dates**" means the payment dates as specified in Schedule III (*Interest Payment Schedule*) on which payment of interest shall be made in respect of the Debentures.
- (49) "**Interest Rate**" means 10.90% (ten-point nine zero percent) per annum (fixed), payable monthly (on the Interest Payment Dates).
- (50) "**Issue**" has the meaning given to it in Recital A above.
- (51) "**Key Information Document**" means the key information document dated October 25, 2024 issued by the Issuer for the issue of the Debentures on a private placement basis in accordance with Applicable Laws.
- (52) "**Listed NCDs Master Circular**" means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, supplemented or restated from time to time.
- (53) "**Loan Loss Reserve**" means a contra asset account on the balance sheet created in anticipation of losses due to default.
- (54) "**Majority Debenture Holders**" means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
- (55) "**Majority Resolution**" means a resolution approved by such number of Debenture Holders that represent more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
- (56) "**Management Control**" means, in respect of the Company and Corporate Guarantor:
- (a) Mr. Ashish Goyal and Mr. Akshay Mehrotra maintaining the managerial positions in the Company, and the executive positions on the board of directors of the Company, that they maintain as on the Effective Date;
  - (b) the Corporate Guarantor maintaining the entire shareholding in the Company, that it maintains as on the Effective Date; and

- (c) Mr. Akshay Mehrotra and Mr. Ashish Goyal continuing to hold executive positions on the board of the Company and shall retain Control over the Company and the Corporate Guarantor;
- (d) Mr. Akshay Mehrotra and Mr. Ashish Goyal continuing to be Promoter of Corporate Guarantor;
- (e) Mr. Ashish Goyal and Mr. Akshay Mehrotra, jointly maintaining more than 10% (ten percent) of the shareholding in the Corporate Guarantor (directly and/or indirectly) except for any dilution happening on account of ESOP issuance and fresh issuance of equity in the Corporate Guarantor.
- (57) **"Master Circular for Debenture Trustee"** means the SEBI circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 on "Master Circular for Debenture Trustees", as amended, modified, supplemented or restated from time to time.
- (58) **"Material Adverse Effect"** means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on:
- (a) the financial condition, business or operation of the Company which is prejudicial to the ability of the Company to perform its obligations under the Transaction Documents;
- (b) the financial condition, business or operation of the Guarantor which is prejudicial to the ability of the Guarantor to perform its obligations under the Transaction Documents;
- (c) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents;
- (d) the ability of the Company to perform its obligations under the Transaction Documents; or
- (e) the legality, validity or enforceability of any of the Transaction Documents.
- (59) **"NBFC Directions"** means the 'Master Direction-Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Direction 2023', read together with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "Implementation of Indian Accounting Standards", each as amended, modified, supplemented, or restated from time to time.
- (60) **"Net Worth"**:
- (a) in respect of any body corporate that is a non-banking financial company, means the net worth of such body corporate determined in accordance with the Companies Act, the NBFC Directions and the Applicable Accounting Standards; and
- (b) in respect of any body corporate that is not a non-banking financial company, has the meaning given to it in the Companies Act.
- (61) **"Nominee Director"** has the meaning given to the term in Clause 4.8 (Nominee Director).
- (62) **"NSDL"** has the meaning given to it in Recital D above.
- (63) **"Off Balance Sheet Portfolio"** means the outstanding principal balance of all Client Loans

securitised, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever.

- (64) "**Outstanding Amounts**" means, at any date, the Outstanding Principal Amounts together with any interest, additional interest, costs, fees, charges, and other amounts payable by the Company in respect of the Debentures.
- (65) "**Outstanding Principal Amounts**" means, at any date, the principal amounts outstanding under the Debentures.
- (66) "**Payment Default**" means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under Clause 11.2(a).
- (67) "**Portfolio At Risk Over 30 Days (AUM)**" means, in respect of the Company's entire Assets Under Management at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 (thirty) calendar days or more, including restructured Client Loans.
- (68) "**Portfolio At Risk Over 30 Days (Own)**" means, in respect of the Company's own book/Client Loans on its books at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 (thirty) calendar days or more, including restructured Client Loans.
- (69) "**Portfolio At Risk Over 90 Days (AUM)**" means, in respect of the Company's entire Assets Under Management at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) calendar days or more, including restructured Client Loans but excluding Client Loans that have been written off by the Company.
- (70) "**Portfolio At Risk Over 90 Days (Own)**" means, in respect of the Company's own book/Client Loans on its books at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) calendar days or more, including restructured Client Loans but excluding Client Loans that have been written off by the Company.
- (71) "**Portfolio At Risk Over 90 Days**" means, in respect of the Company's entire Assets Under Management at any point of time, the outstanding principal amounts of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) calendar days or more, including restructured Client Loans but excluding Client Loans that have been written off by the Company.
- (72) "**PPOA**" means the private placement offer letters prepared by the Issuer in relation to the private placement of the Debentures pursuant to the Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (73) "**Promoters**" shall mean the following Persons: (i) Mr. Ashish Goyal; (ii) Mr. Akshay Mehrotra and (iii) Social Worth Technologies Private Limited;
- (74) "**Purpose**" has the meaning given to it in Clause 5.

- (75) "**Quarterly Date**" means each of March 31, June 30, September 30 and December 31 of a calendar year, and "**Quarterly Dates**" shall be construed accordingly.
- (76) "**Rating**" has the meaning given to it in Recital E.
- (77) "**Rating Agency**" means CARE Ratings Limited.
- (78) "**RBI**" means the Reserve Bank of India.
- (79) "**Redemption Dates**" means, the payment dates specified in Schedule IV (*Redemption Schedule*) below, on which the repayment of the Outstanding Principal Amounts shall be made by the Company in respect of the Debentures, and "**Redemption Date**" shall be construed accordingly.
- (80) "**Register of Beneficial Owners**" means the register of beneficial owners of the Debentures maintained in the records of the Depository.
- (81) "**Register of Debenture Holders**" means the register of debenture holders maintained by the Company in accordance with Section 88 of the Companies Act.
- (82) "**Registrar**" means the registrar and transfer agent appointed for the issue of Debentures, being KFin Technologies Limited.
- (83) "**Related Party**" has the meaning given to it in the Companies Act.
- (84) "**ROC**" means the jurisdictional registrar of companies.
- (85) "**SEBI**" has the meaning given to it in Recital G above.
- (86) "**SEBI Listing Timelines Requirements**" means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular;
- (87) "**SEBI NCS Listing Regulations**" means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as may be amended from time to time.
- (88) "**SEBI LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.
- (89) "**Secured Obligations**" means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Company in respect of the Debentures.
- (90) "**Security Cover**" has the meaning given to it in Clause 6.1(b).
- (91) "**Special Majority Debenture Holders**" means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
- (92) "**Special Resolution**" means a resolution approved by such number of Debenture Holders that



represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.

- (93) "**Step Up (Company)**" means the payment of interest at the Step-Up Rate (Company) in accordance with Clause 7.3(b).
- (94) "**Step Up Rate (Company)**" has the meaning given to it in Clause 7.3(b).
- (95) "**Step Up (Debentures)**" means the payment of interest at the Step-Up Rate (Debentures) in accordance with Clause 7.3(a).
- (96) "**Step Up Rate (Debentures)**" has the meaning given to it in Clause 7.3(a).
- (97) "**Stressed Assets Framework**" means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "*Prudential Framework for Resolution of Stressed Assets*", as may be amended, modified, supplemented or restated from time to time.
- (98) "**Tax**" means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Company under this Deed.
- (99) "**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
- (100) "**Tier I Capital**" has the meaning given to it in the NBFC Directions.
- (101) "**Total Assets**" means, for any date of determination, the total Assets of the Company on such date.
- (102) "**Transaction Documents**"
- (a) this Deed;
  - (b) the Debenture Trustee Agreement;
  - (c) the Deed of Hypothecation;
  - (d) the Corporate Guarantee;
  - (e) the Debt Disclosure Documents;
  - (f) the letters issued by, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar;
  - (g) each tripartite agreement between the Company, the Registrar and any Depository;
  - (h) the Resolutions; and
  - (i) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders,

and "**Transaction Document**" means any of them.

- (103) "Transaction Security" has the meaning given to it in Clause 6.1(a).
- (104) "Trust" has the meaning given to it in Clause 2.5(b).
- (105) "Write Off" means any write-off made on a quarterly basis in accordance with the NBFC Directions.

## 1.2 Interpretation

- (a) The recitals and schedules constitute an integral and operative part of this Deed.
- (b) Unless the context otherwise requires, reference to a Clause and a Schedule is to a clause and schedule of this Deed.
- (c) Headings to Clauses, parts and paragraphs of Schedules are for convenience only and do not affect the interpretation of this Deed.
- (d) Reference to any statute, regulation, or such provision shall include:
- (i) all statutory and regulatory instruments or orders including subordinate or delegated legislation (whether by way of rules, notifications, bye-laws and guidelines) made from time to time under that provision (whether or not amended, modified, re-enacted, supplemented or consolidated); and
  - (ii) such provision as from time to time amended, modified, re-enacted, supplemented or consolidated to the extent such amendment, modification, re-enactment, supplementation or consolidation applies or is capable of applying to any transactions entered into under this Deed and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted, supplemented or consolidated) which the provision referred to has directly or indirectly replaced.
- (e) Reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any amendment, supplement, replacement or novation made in breach of this Deed.
- (f) Reference to an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly.
- (g) Words denoting the singular shall include the plural and *vice versa*.
- (h) Words denoting any gender include all genders.
- (i) References to the word "include" or "including" shall be construed without limitation.
- (j) References to the word "indebtedness" include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.
- (k) References to a "person" (or to a word importing a person) shall be construed so as to include:
- (i) individual, sole proprietorship, firm, partnership, limited liability partnership, trust, joint venture, company, corporation, body corporate, unincorporated body, association, organisation, any governmental agency or other entity or organisation (whether or not in each case having separate legal personality);

- (ii) that person's successors in title, executors, and permitted transferees and permitted assignees; and
  - (iii) references to a person's representatives shall be to its officers, employees, legal or other professional advisers, sub-contractors, agents, attorneys and other duly authorised representatives.
- (l) Words "hereof", "herein", "hereto", "hereunder" and words of similar import when used with reference to a specific Clause in this Deed shall refer to such Clause in this Deed and when used otherwise than in connection with specific Clauses shall refer to this Deed as a whole.
- (m) Words "thereof", "therein", "thereto", "thereunder" and words of similar import when used with reference to a specific provision in an agreement, document, instrument or writing shall refer to such provision in such agreement, document, instrument or writing and when used otherwise than in connection with specific provisions shall refer to such agreement, document, instrument or writing as a whole.
- (n) In the computation of periods of time from a specified date to a later specified date, the words "from" and "commencing on" mean "from and including" and "commencing on and including", respectively, and the words "to", "until" and "ending on" each mean "to but not including", "until but not including" and "ending on but not including" respectively.
- (o) Words or phrases used herein and not defined shall have the same meaning as given to such words or phrases in the Debt Disclosure Documents.
- (p) Where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.
- (q) All references in this Deed and other Transaction Documents to the Debenture Trustee taking any actions, exercising any powers or rights, executing any documents or instrument or providing any confirmations shall, in the absence of anything to the contrary, be interpreted at all times as acting on the prior written instructions of the Majority Debenture Holder.
- (r) All references in this Deed and other Transaction Documents to the determination or discretion or opinion to be exercised, in relation to the happening or non-happening of any event or exercise of any rights, would, in the absence of anything to the contrary, mean, at the determination or discretion or opinion of the Debenture Holders (in accordance with a Majority Resolution) or of the Debenture Trustee (in accordance the instructions of the Majority Debenture Holders or a Majority Resolution passed by Debenture Holders) and such determination shall be final and binding upon the Company.
- (s) Any reference to a document in "agreed form" is to a document in a form previously agreed between the Parties, or, if not so agreed, is in the form specified by the Debenture Trustee (acting on the instructions of the Debenture Holders).
- (t) The terms and conditions contained in Part A of this Deed, Part B of this Deed and Part C of this Deed contain the complete understanding of the Parties with respect to the matters contained herein, and shall be read in conjunction with, and harmoniously with, each other.

### 1.3 Conflicts

- (a) The provisions contained in this Deed shall be read together with the provisions contained in the Debt Disclosure Documents, the other Transaction Documents and any other agreement entered into among the Company, the Guarantor, the Debenture Holders, and/or the Debenture Trustee.



- (b) In case of any inconsistency between the terms in the provisions contained in this Deed or those of the Debt Disclosure Documents or any other Transaction Document, the provisions contained in this Deed shall prevail.

## **PART A - GENERAL AND STATUTORY TERMS**

### **2. AMOUNT; TERMS OF DEBENTURES**

The terms of this Deed shall be binding on the Company, the Debenture Trustee, the Debenture Holders and all persons claiming by, through or under any of them and the Debenture Trustee shall be entitled to enforce the obligations of the Company under or pursuant this Deed.

#### **2.1 Amount of Debentures**

##### **(a) Debentures**

- (i) For the Purpose, and pursuant to the Debt Disclosure Documents issued by the Company, the Company has offered the Debenture Holders issuance of up to 10,000 (Ten Thousand) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Indian Rupees One Hundred Crore Only) ("**Debentures**" / "**NCDs**") comprising of (a) a base issue of 7,500 (Seven Thousand Five Hundred) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores Only) and (b) a green shoe option of 2,500 (Two Thousand Five Hundred) senior, secured, listed, rated, taxable, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating up to INR 25,00,00,000/- (Indian Rupees Twenty Five Crores Only) ("**Green Shoe Option**").
- (ii) For the Purpose and at the request of the Company, the successful Applicants ("**Debenture Holders**") shall subscribe to the Debentures, by way of private placement, to the maximum extent set out in their respective Application Forms on the terms and conditions contained in the Debt Disclosure Documents for private placement issued by the Company. The details of the Debentures will be provided by the Company to the Debenture Trustee on the Deemed Date of Allotment. Further, the details of the initial Debenture Holders and the Debentures subscribed by them shall be more particularly set out in the return of allotment filed by the Company with the ROC pursuant to Rule 14(6) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (iii) Each Debenture is a senior and fully paid-up debt instrument.
- (iv) Each of the Debentures constitute direct, unconditional, senior and secured obligations of the Company (without any preference *inter se* whatsoever on account of date of issue or allotment or otherwise).
- (v) The Company reserves the right to make multiple issuances under the same ISIN in accordance with the Listed NCDs Master Circular, whether by creation of a fresh ISIN or by way of issuance under the existing ISIN at premium/ par/ discount.

##### **(b) Security and Guarantee**

- (i) The Debentures are secured pursuant to the security created by the Company under the Deed of Hypothecation which is first ranking exclusive and continuing security



created solely for the benefit of the Debenture Holders.

- (ii) The Debentures are also supported by the Corporate Guarantee provided/to be provided by the Guarantor in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders).

(c) **Conditions Precedent and Conditions Subsequent**

- (i) The subscription to the Debentures by the Debenture Holders on the Deemed Date of Allotment is subject to and conditional upon the fulfilment of the Conditions Precedent to the satisfaction of the Debenture Holders unless specifically waived or modified in writing by the Majority Debenture Holders.

- (ii) The Company further undertakes to fulfil the Conditions Subsequent to the satisfaction of the Debenture Holders within the timelines prescribed therein.

(d) **Covenant to Pay**

The Company covenants with the Debenture Trustee that it shall pay to the Debenture Holders the interest at Interest Rate, in respect of the Debentures on each Interest Payment Date as specified in Schedule III (*Interest Payment Schedule*) or earlier in case of any default, and shall also pay all other amounts due in respect of the Debentures as stipulated and in accordance with Clause 7 (*Interest; Additional Interest; Step Up Interest*) and Clause 8 (*Redemption*) below. The Company shall make/release all payments due by the Company in terms of the Transaction Documents to the respective Debenture Holders in proportion to their dues.

2.2 **Face Value and Issue Price**

- (a) The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh).
- (b) The issue price of each Debenture is INR 1,00,000 (Indian Rupees One Lakh).

2.3 **Allotment of Debentures**

- (a) The Debentures have been deemed to be allotted to the Debenture Holders on October 30, 2024 ("**Deemed Date of Allotment**"). All benefits relating to the Debentures are available to the Debenture Holders from the Deemed Date of Allotment.
- (b) If the Company fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").
- (c) If the Company fails to repay the Application Money within the Repayment Period, then the Company shall be liable to repay the Application Money along with interest at the Interest Rate, or 12% (twelve percent) per annum, whichever is higher, from the expiry of the Allotment Period.

2.4 **Application Money**

The Application Money received by the Company shall be kept in a separate bank account maintained by the Company with a scheduled bank and shall not be utilised for any purpose other than for:

- (a) adjustment against allotment of Debentures; or



- (b) repayment of Application Money in case the Company is unable to allot the Debentures.

## 2.5 Debenture Trustee for the Debenture Holders

- (a) Pursuant to the Debenture Trustee Agreement, the Debenture Trustee has agreed to act as the trustee for the benefit of the Debenture Holders in respect of the Debentures. The Debenture Trustee is authorised to:
- (i) to execute and deliver this Deed, all other Transaction Documents and all other documents, agreements, instruments and certificates contemplated by this Deed or the other Transaction Documents, which are to be executed and delivered by the Debenture Trustee;
  - (ii) to take whatever action as may be required to be taken by the Debenture Trustee in accordance with the terms and provisions of the Transaction Documents, to exercise its rights and perform its duties and obligations under each of the documents, agreements, instruments and certificates referred to in sub-Clause (i) above in such documents, agreements, instruments and certificates; and
  - (iii) subject to the terms and provisions of this Deed and the other Transaction Documents, and to take such other action in connection with the foregoing as the Debenture Holders may from time to time direct.
- (b) The Company hereby settles in trust with the Debenture Trustee the amount of INR 1,000 (Indian Rupees One Thousand). The Debenture Trustee has accepted the above amount of INR 1,000 (Indian Rupees One Thousand) in trust declared and, subject to the terms and conditions in this Deed, agreed to act as trustee for the benefit of the Debenture Holders in relation to all amounts received by it in respect of the Debenture Holders (the "Trust").
- (c) The Debenture Trustee shall act as the trustee for the benefit and interest of the Debenture Holders and their successors, transferees and subject to the terms and provisions of this Deed and the other Transaction Documents. The Debenture Trustee shall, at all times, exercise the authority, power and discretion granted to it under this Deed for the benefit and in the best interest of the Debenture Holders and their successors and transferees.
- (d) The Debenture Trustee declares that it shall not revoke the trust(s) hereby declared until all the Secured Obligations are irrevocably discharged and paid in full by the Company to the Debenture Holders and the Debenture Trustee under the Transaction Documents.
- (e) The Debenture Trustee shall hold the Transaction Security in trust on behalf of and for the benefit of the Debenture Holders, for the due discharge of the Secured Obligations, without any preference to or priority of any one over the other(s).
- (f) The Debenture Trustee shall hold upon trust the amounts which shall arise or may be obtained by the enforcement of the repayment obligations and/or the Transaction Security and/or the invocation of the Corporate Guarantee, and shall apply such proceeds in accordance with Clause 2.6 (*Application of Payments*).
- (g) By signing the Application Form, the Debenture Holders shall be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to, *inter alia*, do all acts, deeds and things necessary to complete the issuance and allotment of the Debentures offered to the Debenture Holders in terms of the Debt Disclosure Documents, and to do any act or deed on their behalf in accordance with the provisions of the Transaction Documents.

- (h) The terms and conditions set out in the Debt Disclosure Documents and this Deed shall be binding on the Company and any permitted assignees or successors under Applicable Law.

## 2.6 Application of Payments

Unless otherwise agreed to by the Debenture Holders or unless otherwise provided by Applicable Law or by a decree of a competent court or tribunal, any payments due and payable to the Debenture Holders and made by the Company, or realised from the enforcement of the Transaction Security and/or invocation of the Corporate Guarantee shall be applied in the following order:

- (a) *firstly*, towards costs, charges and expenses incurred by the Debenture Trustee in accordance with the terms of this Deed;
- (b) *secondly*, towards further/additional interest, default interest and other amounts payable to the Debenture Holders;
- (c) *thirdly*, towards the interest amounts payable to the Debenture Holders; and
- (d) *lastly*, towards redemption of the Debentures due and payable under this Deed.

## 2.7 Place and Mode of Payment by the Company

All interest, principal repayments, penal interest and other amounts, if any, payable by the Company to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders inform the Company in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.

## 2.8 Transfer of Debentures

- (a) Transfer and transmission of the Debentures shall be subject to the Depositories Act, 1996, the rules made thereunder, the bye-laws, rules and regulations of the Depository (each as amended, modified, supplemented or restated from time to time).
- (b) The Debentures shall be freely transferable and transmittable by the Debenture Holders in whole or in part without the prior consent of the Company; and
- (c) The Debenture Holders shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.
- (d) The Company shall not assign any of the rights, duties or obligations under this Deed or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holders).

## 2.9 Issuance of Debentures

- (a) The Debentures shall be in a dematerialised form but are fungible and are represented by the statement issued through electronic mode. The Company has made depository arrangements with the Depository for the issue of the Debentures in a dematerialised form pursuant to the tripartite agreements between the Company, the Depository and the Registrar.
- (b) The Debenture Holders will hold the Debentures only in dematerialised form and deal with the Debentures in accordance with the provisions of the Depositories Act, 1996 and/or rules as notified by the Depository from time to time.



## 2.10 Debenture Redemption Reserve

- (a) The Company hereby agrees and undertakes that, if required under Applicable Law, it will create a debenture redemption reserve ("DRR") in accordance with the provisions of the Companies Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.
- (b) During the tenor of the Debentures, if any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Company shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.
- (c) Where applicable, the Company shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Company has transferred the required amount to the DRR at the end of each Financial Year.
- (d) In addition to the foregoing, to the extent required by Applicable Law, the Company shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

## 2.11 Listing of the Debentures

- (a) The Debentures are proposed to be listed on the Stock Exchange. The Company shall forward the listing application to the Stock Exchange and procure permission for listing of the Debentures from the Stock Exchange within 3 (three) working days of the issue closing date (as specified in the Key Information Document) for Debentures;
- (b) In case of delay in listing of the Debentures beyond 3 (three) working days from the issue closing date for Debentures, the Company shall pay a default interest of 1% p.a. (one percent per annum) over the Coupon Rate from the Deemed Date of Allotment till the listing of the Debentures, to the Debenture Holder(s); and
- (c) In case of the afore mentioned delay in listing, the Company shall also only be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.

## 2.12 Monitoring

- (a) The Company will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with the Master Circular for Debenture Trustee, the Company undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with the Master Circular for Debenture Trustee:

## 2.13 Recovery Expense Fund

- (a) The Company hereby undertakes and confirms that it shall, within the time period prescribed under the Master Circular for Debenture Trustee, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under the Master Circular for Debenture Trustee, to enable the Debenture Trustee to take prompt action in relation to the enforcement/legal proceedings under the Transaction Documents.

- (b) The Company shall deposit cash or cash equivalents including bank guarantees towards the contribution to Recovery Expense Fund with the designated stock exchange and submit relevant documents evidencing the same to the Debenture Trustee from time to time.
- (c) The Company shall ensure that any bank guarantees provided in respect of the Recovery Expense Fund remain valid for a period of 6 (six) months following the maturity date of the Debentures. The Company shall keep the bank guarantees in force and renew the bank guarantees at least 7 (seven) working days before its expiry, failing which the designated stock exchange may invoke such bank guarantee.
- (d) On the occurrence of any Event of Default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement/legal proceedings and shall inform the designated stock exchange of such occurrence and the obtaining of any consent in respect thereof (if any). The amount lying in the Recovery Expense Fund may be released to the Debenture Trustee within such time period and such manner as may be prescribed under the Master Circular for Debenture Trustee. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received from Recovery Expense Fund towards enforcement/legal proceedings under the Transaction Documents.
- (e) The amounts in the Recovery Expense Fund shall be refunded to the Company on repayment/redemption of the Debentures, following which a "no objection certificate" shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee shall ensure that there is no default on any other listed debt securities of the Company before issuing such "no objection certificate".

#### 2.14 Requirements Under The LODR Regulations

- (a) The Company agrees, declares and covenants with the Debenture Trustee that it will comply with all relevant requirements prescribed under the SEBI LODR Regulations applicable to it (including without limitation, Chapter IV of the SEBI LODR Regulations (to the extent applicable) and Chapter V of the SEBI LODR Regulations (to the extent applicable)).

#### 2.15 Due Diligence

- (a) The Company acknowledges, understands, and confirms that:
- (b) the Debenture Trustee shall carry out due diligence on continuous basis to ensure compliance by the Company, with the provisions of the Companies Act, the SEBI LODR Regulations, the SEBI NCS Listing Regulations, the Debenture Trustees Regulations, the listing agreement of the stock exchange(s) where the Debentures are listed, the Transaction Documents, and any other regulations issued by SEBI applicable to the Issue;
- (c) for the purposes of carrying out the due diligence as required in terms of the Master Circular for Debenture Trustee, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Company and to have the Company's hypothecated assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts, management consultants appointed by the Debenture Trustee; and
- (d) the Debenture Trustee may at any time, with a reasonable prior notice, through its authorized representatives and agents, inspect books of account, records, registers of Company and the trust property (as set out in this Deed) to the extent necessary for discharging its obligations. The Company shall provide full and unimpeded access to the records, registers and books of accounts in relation to the hypothecated assets and facilitate in the inspection and due diligence process. Any fees, costs expenses incurred in conducting such inspection/due

diligence process shall be fully borne by the Company. In the event, any fees, costs expenses are borne by the Debenture Trustee, the above shall be reimbursed forthwith by the Company upon request.

- (e) The Company shall submit documents/ information as the Debenture Trustee may require to conduct continuous and periodical due diligence and monitoring of the Transaction Security or the assets on which security interest/ charge is created, which shall inter alia, include:
- i. periodical status/ performance reports from the Company within seven days of the relevant board meeting of the Company or within 45 (forty five) days of the respective quarter, whichever is earlier;
  - ii. details with respect to defaults, if any, with regard to payment of interest or redemption of Debentures;
  - iii. details with respect to the implementation of the conditions regarding creation of the Transaction Security for the Debentures, debenture redemption reserve if applicable and Recovery Expense Fund;
  - iv. details with respect to the hypothecated assets of the Company and of the guarantors (to the extent applicable) to ensure that they are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders;
  - v. reports on the utilization of funds raised by the issue of Debentures;
  - vi. details with respect to conversion or redemption of the Debentures;
  - vii. (to the extent applicable) details with respect to dispatch of the debenture certificates and interest warrants, credit of the debentures in the demat account of the Debenture Holders and payment of amounts upon redemption of Debentures to the Debenture Holders due to them within the stipulated time period in accordance with the Applicable Law;
  - viii. (to the extent applicable) reports from the lead bank regarding the progress of the project relating to the proceeds of the Issue;
  - ix. details regarding monitoring of utilisation of funds raised in the issue of the Debentures;
  - x. (to the extent applicable) certificate from the statutory auditors of the Company (i) in respect of utilisation of funds during the implementation period of the project relating to the proceeds of the Issue, and (ii) in the case of Debentures issued for financing working capital, at the end of each accounting year; and
  - xi. such other documents or information as may be required by the Debenture Trustee in accordance with the Applicable Law.
  - xii. Without prejudice to any other provision of this Deed and the other Transaction Documents, the Company shall:
  - xiii. provide such documents/information and assistance to the Debenture Trustee as may be required by the Debenture Trustee to carry out the necessary due diligence and monitor the security cover on a quarterly basis in the manner as may be specified by SEBI from time to time;
  - xiv. to the extent applicable, submit a certificate from the statutory auditor on a quarterly



basis, regarding the maintenance of security cover in accordance with the terms of the Debt Disclosure Documents and the other Transaction Documents including compliance with the covenants of the Debt Disclosure Documents and the other Transaction Documents within timelines as specified under SEBI Listed Debentures Circulars and Regulations, or such other circulars issued by SEBI from time to time;

- (f) comply with all requirements under the Master Circular for Debenture Trustee, and provide all documents/information as may be required in accordance with the Master Circular for Debenture Trustee.

## 2.16 Others

- (a) The Company shall, at all times until the secured obligations have been duly discharged, maintain a Bank account no.: 916020009444492 with Axis Bank, Viman Nagar, Pune ("Account Bank") from which it proposes to pay the redemption amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details.
- (b) The Company further acknowledges, agrees, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI regulations. Further, in case of change of Account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter and duly accepted consent letter from the successor /new account bank.
- (c) The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holder(s) pursuant to the terms of this Deed.
- (d) The Company shall ensure due compliance and adherence to the Master Circular for Debenture Trustee in letter and spirit.
- (e) To the extent applicable and required in terms of the Master Circular for Debenture Trustee, the Debenture Trustee shall execute an "inter creditor agreement" in the manner prescribed under the Master Circular for Debenture Trustee.
- (f) To the extent required/applicable, the Company shall provide intimation to the Debenture Trustee regarding (i) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Company, and (ii) all covenants of the issue (including side letters, event of default provisions/clauses etc.).
- (g) The Company shall promptly disclose and furnish to the Debenture Trustee, all documents/information about or in relation to the Company or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/certification to stock exchange within the prescribed timelines.
- (h) The Company and the Debenture Trustee hereby agree and covenant to comply with the requirements prescribed under the Master Circular for Debenture Trustee in respect of the Debentures and the transactions contemplated in the Transaction Documents.

## 3. GENERAL UNDERTAKINGS OF THE COMPANY

### 3.1. Filings



Pursuant to the provisions of the Companies Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including (if required under Applicable Law) the PPOA (Form PAS 4), the return of allotment (Form PAS 3), Form CHG-9, and (if so required under Applicable Law) record of PPOA (Form PAS 5) with the ROC and/or SEBI, within the timelines stipulated under the Companies Act and the relevant rules thereunder and any other Applicable Law.

### 3.2. Register of Debenture Holders

- (a) A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Companies Act. For the purposes of any payments in respect of the Debentures, the Debenture Holders set out in the Register of Debenture Holder/the Register of Beneficial Owners as of the date occurring 7 (seven) calendar days prior to each Due Date shall be considered
- (b) In case of dissolution/ bankruptcy/ insolvency/ winding up of Debenture Holders, the debenture certificates shall be transmittable to the legal representative(s)/successor(s) or the liquidator as the case may be in accordance with Applicable Law and on such terms as may be deemed appropriate by the Company.

### 3.3. Future Borrowings

Subject to sufficient Security Cover, the Company shall be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee so long as such action does not result in an Event of Default.

### 3.4. Ranking and restriction of Preferential Payments

- (a) Each Debenture constitutes direct, senior and secured obligations of the Company.
- (b) Its payment obligations under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.
- (c) The Debentures shall rank *pari passu inter se* and the Company shall pay and discharge all its liabilities to the Debenture Holders under this Deed without preference or priority of one over the other.

## 4. DEBENTURE TRUSTEE'S RIGHTS, POWERS, DISCRETIONS, REPRESENTATIONS AND RESPONSIBILITIES

### 4.1 Representations and Warranties of the Debenture Trustee

The Debenture Trustee hereby represents and warrants in favour of the Company and the Debenture Holders, that as on the Effective Date and on each day until the Final Settlement Date:

- (a) the Debenture Trustee is a company duly incorporated and validly existing under Applicable Law and the Debenture Trustee is duly qualified and authorised to enter into the Transaction Documents;
- (b) this Deed has been duly and validly executed and delivered by the Debenture Trustee and constitutes a legal and binding obligation of the Debenture Trustee, enforceable against the Debenture Trustee in accordance with its terms;
- (c) the execution, delivery and performance by the Debenture Trustee of this Deed does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:





- (i) any Applicable Law; or
  - (ii) its constitutional documents; or
  - (iii) any order, judgment or decree applicable to the Debenture Trustee; or
  - (iv) any term, condition, covenant, undertaking, agreement or other instrument to which the Debenture Trustee is a party or by which the Debenture Trustee is bound;
- (d) the Debenture Trustee is in a position to observe, comply with and perform all its obligations hereunder to be observed, complied and performed with by it;
  - (e) the Debenture Trustee is registered as a debenture trustee with the SEBI under the Debenture Trustees Regulations;
  - (f) the Debenture Trustee does not have any, claim or exercise any right of deduction, lien or set-off on, over or in respect of any of the amounts, writings or things held by it or continued to be held by it or coming within its power or possession pursuant to or in connection with this Deed or any other Transaction Documents; and
  - (g) all information set forth in this Deed, and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holders is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise.

#### 4.2 General Rights, Powers and Discretions

In addition to the powers conferred on the Debenture Trustee in this Deed and Applicable Law, and without limiting the liability of the Debenture Trustee, it is agreed as follows:

- (a) the Debenture Trustee may, in relation to this Deed and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise;
- (b) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
- (c) with a view to facilitating any dealing under any provisions of this Deed or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of this Deed;



- (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;
- (e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders;
- (f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Companies Act, be entitled to be indemnified by the Company in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;
- (g) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents;
- (h) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holders or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
- (i) notwithstanding anything contained to the contrary in this Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; and
- (j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Company pursuant to this Deed within 2 (two) Business Days of receiving such information or document from the Company.

PROVIDED THAT nothing contained in this Clause 4.2 shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

#### 4.3 Power of Debenture Trustee to Delegate

- (a) The Debenture Trustee may, in the execution and exercise of all or any of the trusts, powers,



authorities and discretions vested in it act through officer(s) of the Debenture Trustee.

- (b) The Debenture Trustee may also, whenever it thinks expedient, delegate by way of power(s) of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in it and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit.
- (c) The Debenture Trustee shall be liable for any negligence, illegality, fraud, breach of trust, bad faith and wilful misconduct of the officer to whom the Debenture Trustee has delegated its powers and shall not be absolved of its obligations under this Deed.
- (d) The Debenture Trustee shall ensure that any powers under this Clause 4.3 shall be exercised with reasonable care to ensure the competency of the officer or person to whom the Debenture Trustee has delegated its powers.

#### 4.4 Powers of Debenture Trustee to Employ Agents

The Debenture Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it under the Transaction Documents act through one or more agents.

#### 4.5 Powers of Debenture Trustee to Inspect

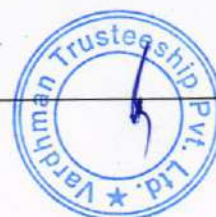
- (a) The Debenture Trustee or its authorised representatives may carry out inspections of the Company's offices records, registers and books of accounts upon giving 15 (fifteen) calendar days' notice in writing to the Company in accordance with the terms of this Deed and the other Transaction Documents.
- (b) The cost of inspection, including travelling and other related expenses shall be borne and paid by the Company. No costs shall be incurred without the prior written approval of the Debenture Holders.

#### 4.6 Debenture Trustee may Contract with the Company

- (a) Subject to there being no conflict of interest, neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company in the ordinary course of business of the Debenture Trustee.
- (b) In the event the Debenture Trustee or any agent of the Debenture Trustee perceives that any activity mentioned above that the Debenture Trustee or the agent of the Debenture Trustee proposes to undertake could lead to a conflict of interest, then the Debenture Trustee or the agent of the Debenture Trustee shall take prior written consent of the Debenture Holders prior to undertaking such activity.

#### 4.7 When Debenture Trustee May Interfere

- (a) Until the occurrence of one or more Events of Default, the Debenture Trustee shall not be required, bound or concerned to interfere with the management or the affairs of the Company or its business or any part thereof.
- (b) The Company shall be entitled to the rights and benefits to the Hypothecated Assets until the occurrence of an Event of Default provided that (i) it does so for a purpose consistent with the Transaction Documents, and (ii) the exercise of, or failure to exercise, those rights would not cause an Event of Default to occur.



#### 4.8 Nominee Director

The Debenture Trustee shall have a right to appoint a nominee director within 1 (One) calendar month after issuance of notice to the Issuer and as per the provisions of the Applicable Law, in accordance with Clause 15 (1)(e) of the Debenture Trustees Regulations and Rule 18(3) (e) of Companies (Share Capital and Debentures) Rules, 2014, on the board of directors of the Company (hereinafter referred to as the "Nominee Director") upon the occurrence of any of the following:

- (a) 2 (two) consecutive defaults in the payment of interest to the Debenture Holders; or
- (b) any default in creation of security for the Debentures; or
- (c) any default on the part of the Company in redemption of the Debentures.

The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The Company shall appoint the Nominee Director forthwith on receiving a nomination notice from the Debenture Trustee.

#### 4.9 Receipt of Debenture Holders

The receipt of each Debenture Holder or if there are more than one holder of any such Debentures, then the receipt of the first named Debenture Holder or of the survivor or survivors for the principal monies or of the nominee or nominees, if any, of the Debenture Holder of such Debentures for the interest payable in respect of each of such Debentures, shall be a good discharge to the Debenture Trustee.

#### 4.10 Purchasers and Persons Dealing with the Debenture Trustee not put on enquiry

Any person(s) dealing with the Debenture Trustee and/or the receiver appointed by them or their attorneys or agents shall not be bound or concerned to see or to inquire (a) whether the power exercised or purported to be exercised has become exercisable, or (b) as to the necessity or expediency of the stipulations and conditions subject to which any sale and/or assignment shall have been made, or (c) as to the propriety or regularity of any sale and/or assignment, calling in, collection or to see to the application of any money paid to the Debenture Trustee or receiver.

#### 4.11 Retirement and Removal of Debenture Trustee

##### (a) Resignation

The Debenture Trustee may resign as the Debenture Trustee with the prior written approval of the Majority Debenture Holders. PROVIDED THAT, it shall continue to act as Debenture Trustee until a New Debenture Trustee (as defined below) is appointed by the Company with consent of the Majority Debenture Holders and such New Debenture Trustee accepts its appointment pursuant to this Clause 4.11.

##### (b) Removal

- (i) The Debenture Holders may, after giving not less than 1 (one) months' notice in writing, remove the Debenture Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Company to appoint such entity as the debenture trustee (the "New Debenture Trustee").
- (ii) The Special Majority Debenture Holders will be entitled to remove the Debenture Trustee without any notice period in case of fraud, gross negligence, willful misconduct or breach of trust on the part of the Debenture Trustee.



- (iii) The Company shall, within 15 (fifteen) Business Days of receipt of such resolution passed by the Special Majority Debenture Holders, take all necessary steps to appoint the entity named in the resolution as the New Debenture Trustee and complete all necessary formalities to give effect to such appointment.

(c) ***New Debenture Trustee as the debenture trustee***

Upon appointment of the New Debenture Trustee pursuant to sub-Clauses (a) or (b) above, all references in this Deed to the Debenture Trustee shall, unless repugnant to the context, mean and refer to the New Debenture Trustee and the New Debenture Trustee shall without any further act or deed succeed to all the powers and authorities of the Debenture Trustee as if it had been originally appointed as the Debenture Trustee.

(d) ***Costs***

All costs and fees in relation to the appointment of a New Debenture Trustee pursuant to sub-Clauses (a) or (b) above will be borne by the Company

4.12 **Debenture Trustee's Remuneration**

- (a) The remuneration of the Debenture Trustee shall be as per the terms of the fee letter executed between the Debenture Trustee and the Company dated October 23, 2024.
- (b) Subject to Clause 14, the Company shall pay to the Debenture Trustee all legal, traveling and other costs, charges and expenses incurred by them, their officers, employees, agents in connection with execution of these presents including costs, charges and expenses of and incidental to the approval and execution of this Deed and the other Transaction Documents and all other documents affecting the Debentures and the obligations to be created herein and will indemnify them against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by them in respect of any matter or thing done or omitted to be done without their wilful default in respect of the Debentures.

**PART B - COMMERCIAL AND TRANSACTION SPECIFIC TERMS**

5. **PURPOSE**

5.1 The funds raised by the Issue shall be utilised by the Company for the following purposes ("**Purpose**"):

- (a) for general corporate purposes of the Company; and
- (b) for utilisation in the ordinary course of business of the Company including for repayment or refinancing of existing Financing Indebtedness of the Company.

5.2 The funds raised by the Issue shall be utilised by the Company solely for the Purpose and the Company shall not use the proceeds of the Issue towards:

- (a) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly);
- (b) any speculative purposes;
- (c) investment in the real estate sector/real estate business (including the acquisition/purchase of land);
- (d) any purpose, that is not eligible for the providing of financing by banks to non-banking financial



companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2023-24 dated April 3, 2023 on "Bank Finance to Non-Banking Financial Companies (NBFCs)"; and/or

- (e) in contravention of Applicable Law (including without limitation, the NBFC Directions and any guidelines, rules or regulations of the RBI and/or SEBI).

## 6. TRANSACTION SECURITY

### 6.1 Security

- (a) The Debentures shall be secured on or prior to the Deemed Date of Allotment by way of:
- (i) a first ranking exclusive and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over certain identified book debts/loan receivables of the Company as described therein (the "**Hypothecated Assets**"); and
  - (ii) such other security interest/contractual comfort as may be agreed between the Company and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**").
- (b) The charge over the Hypothecated Assets shall, at all times from Deemed Date of Allotment until the Final Settlement Date, be such that the value of the receivables underlying the Hypothecated Assets is at least 1.20 (one decimal two zero) times the value of the Outstanding Amounts ("**Security Cover**"). The Security Cover shall be maintained at all times until the Final Settlement Date. The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Company.
- (c) The Company shall create the charge by way of hypothecation over the Hypothecated Assets on or prior to the Deemed Date of Allotment, and perfect such security by filing Form CHG-9 with the ROC within of the time period prescribed under the Deed of Hypothecation.
- (d) The Debenture Trustee shall file the prescribed Form I with CERSAI reporting the charge created to the CERSAI within of the time period prescribed under the Deed of Hypothecation. The Company will provide all information and assistance that the Debenture Trustee may require, to enable it to file the prescribed Form I with CERSAI within the time period prescribed under the Deed of Hypothecation.

### 6.2 Corporate Guarantee

- (a) The Debentures shall be guaranteed by way of an unconditional and irrevocable corporate guarantee to be provided by the Guarantor pursuant to the Corporate Guarantee in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders) to be executed in a form and manner satisfactory to the Debenture Trustee.
- (b) The Debenture Trustee may invoke or claim under the Corporate Guarantee without being obligated or having to take recourse to the other security and/or contractual comfort.

### 6.3 Enforcement

- (a) The Debenture Trustee shall be entitled to enforce the Secured Obligations of the Company under this Deed and/or pursuant to any other Transaction Document (including the Deed of Hypothecation) as if the same were set out and contained in this Deed. The Hypothecated



Assets shall be and remain as security to the Debenture Trustee and shall be held in trust on behalf of and for the benefit of the Debenture Holders for the due repayment of the Secured Obligations.

- (b) The Transaction Security and/or the Corporate Guarantee or any part thereof may be enforced without the Debenture Trustee being obligated or having to take recourse to any other security or contractual comfort or right or taking any other steps or proceedings against the Company or any other person, and may be enforced for any balance due after resorting to any one or more means of obtaining payment or discharge of the obligations owed under the Transaction Documents.

#### 6.4 Further Charge

No charge or encumbrance other than the security interest created pursuant to the Transaction Documents can be created in respect of the Hypothecated Assets.

#### 6.5 Continuing Nature of Transaction Security and Corporate Guarantee

- (a) The Transaction Security is a continuing security which shall remain in full force and effect until the Final Settlement Date.
- (b) The Corporate Guarantee is a continuing guarantee which shall remain in full force and effect from the Deemed Date of Allotment until the Final Settlement Date.

#### 6.6 First Recourse Enforcement

The Transaction Security or any part thereof may be enforced without the Debenture Trustee being obligated or having to take recourse to any other security or right or taking any other steps or proceedings against the Company or any other person, and may be enforced for any balance due after resorting to any one or more means of obtaining payment or discharge of the obligations owed under the Transaction Documents.

#### 6.7 Covenant for Release of Transaction Security

On the Final Settlement Date, the Debenture Trustee shall at the request and cost of the Company, release, the Transaction Security created in favour of the Debenture Trustee, free and discharged from the trusts and charge created in terms of the Transaction Documents.

#### 6.8 Other Security

The Transaction Security or any part thereof shall not be merged in, or in any way excluded or prejudiced, or be affected by, any other security interest, right of recourse or other right (or the invalidity thereof) which the Debenture Trustee may hold.

### 7. INTEREST; ADDITIONAL INTEREST; STEP UP INTEREST

#### 7.1 Interest

- (a) **Interest on Application Money**
- (i) Interest at the Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Company on the Application Money to the Applicants from the date of receipt of such Application Money up to (and including) the day occurring 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment.





Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.

- (ii) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.
- (iii) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.

(b) **Interest on Debentures**

Subject to Clause 7.3 (*Step Up*) below, interest at the Interest Rate shall accrue and be payable on the Outstanding Principal Amounts on each Interest Payment Date in accordance with Schedule III (*Interest Payment Schedule*) below.

(c) **Payments**

- (i) All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Company is required to make a Tax Deduction pursuant to Applicable Law.
- (ii) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (iii) If the Company is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (iv) Within the earlier of (A) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days of each Due Date, the Company shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

7.2 **Additional Interest**

- (a) On the occurrence of a Payment Default, the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured, or the Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.
- (b) In case of any default (including an Event of Default)/non-compliance by the Company in respect of any covenants of the Company under this Deed or the Transaction Documents (including but not limited to the financial covenants set out under Clause 10.3 (*Financial Covenants*) below) and the same is not remedied within the cure period as stated in the Transaction Documents (including Cure Period for Financial Covenants), the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the





Outstanding Principal Amounts from the last date of the from the date of the aforementioned non-compliance (after the cure period) until such non-compliance is cured, or the Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.

- (c) If the Transaction Security is not created and/or perfected within the time period prescribed under the Transaction Documents and in accordance with the terms of the Transaction Documents, the Company will pay additional interest at the rate of 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts until the creation and perfection of the Transaction Security to the satisfaction of the Debenture Trustee on each Interest Payment Date occurring during the aforementioned period. PROVIDED THAT no additional interest will be payable pursuant to this sub-Clause (c) if any additional interest is being paid by the Company pursuant to Clause 10.5(m) below.

### 7.3 Step Up

#### (a) Step Up (Debentures)

- (i) If the rating of the Debentures is downgraded to "BBB" by the Rating Agency or any other credit rating agency, the Interest Rate shall be increased by 0.50% (zero decimal five zero percent) for the downgrade of the rating of the Debentures to "BBB", and for each downgrade of 1 (one) notch from "BBB" ("**Step Up Rate (Debentures)**"), and such increased rate of interest shall be applicable on the Outstanding Principal Amounts from the date of such downgrade. Step Up, in accordance with this sub-Clause (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.
- (ii) Following the Step Up (Debentures) until the rating of the Debentures is restored to "BBB+" or above, if the rating of the Debentures is upgraded, the prevailing Step Up Rate (Debentures) shall be decreased by 0.5% (zero decimal five percent) for each upgrade of 1 (one) notch from the rating of the Debentures (until the rating of the Debentures is restored to "BBB+" or above) and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this sub-Clause (ii) cannot, in any case, be lower than the Interest Rate. The decrease in the rate of interest in accordance with this sub-Clause (ii) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.
- (iii) It is clarified that, if following the Step Up, the rating of the Debentures is restored to the "BBB+" or above, then the interest shall be payable at the Interest Rate in accordance with Clause 7.1(b) (*Interest on Debentures*) above, from the date that the rating of the Debentures is restored to "BBB+" or above.
- (iv) In case the Debentures are rated by multiple rating agencies, then the lowest of such ratings would be considered for the purposes of this Clause 7.3(a).

#### (b) Step Up (Company)

- (i) If the rating of the Company is downgraded to "BBB" by the Rating Agency or any other credit rating agency, the Interest Rate shall be increased by 0.50% (zero decimal five zero percent) for the downgrade of the rating of the Company to "BBB", and for each downgrade of 1 (one) notch from "BBB" ("**Step Up Rate (Company)**") and such increased rate of interest shall be applicable on the Outstanding Principal Amounts from the date of such downgrade. Step Up, in accordance with this sub-Clause (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the



Debenture Holders.

- (ii) Following the Step Up (Company) until the rating of the Company is restored to "BBB+" or above, if the rating of the Company is upgraded, the prevailing Step-Up Rate (Company) shall be decreased by 0.5% (zero decimal five percent) for each upgrade of 1 (one) notch from the rating of the Company (until the rating of the Company is restored to "BBB+" or above) and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this sub-Clause (ii) cannot, in any case, be lower than the Interest Rate. The decrease in the rate of interest in accordance with this sub-Clause (ii) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.
- (iii) It is clarified that, if following the Step Up, the rating of the Company is restored to "BBB+" or above, then the interest shall be payable at the Interest Rate in accordance with Clause 7.1(b) (*Interest on Debentures*) above, from the date that the rating of the Company is restored to "BBB+" or above.
- (iv) In case the Company is rated by multiple rating agencies, then the lowest of such ratings would be considered for the purposes of this Clause 7.3(b).

## 8. REDEMPTION

### 8.1 Redemption

- (a) The Debentures shall be redeemed on a *pari passu* basis by the Company by making the payment of the Outstanding Principal Amounts on each Redemption Date and the Final Redemption Date, in accordance with Schedule IV (*Redemption Schedule*).
- (b) Without prejudice to anything contained in Clause 7 above and this Clause 8, the Company shall, on the Final Redemption Date, promptly discharge all outstanding Secured Obligations.

### 8.2 Early Redemption

- (a) On the occurrence of an Early Redemption Event, the Debenture Trustee acting on the instructions of any Debenture Holder shall have the option (but not the obligation) to require the Company to redeem the Debentures held by such Debenture Holder along with accrued Interest. On the occurrence of an Early Redemption Event, the Company shall forthwith issue a notice to the Debenture Trustee, informing it about the occurrence of such Early Redemption Event.
- (b) In the event that any Debenture Holder is desirous of exercising the right of early redemption in respect of the Debentures held by it, the Debenture Trustee shall issue a notice to the Company requiring the Company to redeem the Debentures held by such Debenture Holder along with accrued Interest ("**Early Redemption Exercise Notice**").
- (c) The Company shall, within 30 (thirty) days of the date of the Early Redemption Exercise Notice, redeem the Debentures held by such Debenture Holder along with all relevant Outstanding Amounts (including the accrued Interest and other costs and charges).
- (d) No prepayment penalty or prepayment premium will be applicable to any redemption in accordance with this Clause 8.2 (*Early Redemption*).

- 8.3 Issuer can buy back Debentures with the consent of Majority Debenture Holders subject to Applicable Law.



8.4 The Company shall not redeem (or prematurely redeem) the Debentures in any manner other than in accordance with the terms of this Deed.

9. **MULTIPLE ISSUANCES; RIGHT TO REPURCHASE**

(a) **Multiple Issuances**

The Company reserves the right to make multiple issuances under the same International Securities Identification Number ("ISIN") in accordance with Applicable Law. An issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount (as the case may be) in accordance with Applicable Law.

(b) **Right to Repurchase the Debentures**

(i) The Parties hereby agree that the Company, subject to the Applicable Law, may, based on mutual discussions with the Debenture Holders, repurchase a part or all of the Debentures from the secondary market or otherwise, at any time prior to the Final Settlement Date.

(ii) In the event any or all of the Debentures are repurchased, or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, subject to Applicable Law, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other non-convertible debentures in their place.

(iii) In respect of any repurchased/redeemed Debenture, the Company shall have the power to (either for a part or all of the Debenture) cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as is permitted under Applicable Law.

10. **REPRESENTATIONS, WARRANTIES, AND COVENANTS**

10.1. **Utilisation of Proceeds of the Debentures**

(a) The Company shall utilise the amounts received towards subscription of the Debentures for the Purpose, and, to the extent required under Applicable Law, procure and furnish to the Debenture Trustee a certificate from the Company's auditors in respect of the utilisation of funds raised by the issue of the Debentures.

(b) The Debenture Trustee shall provide a copy of the aforementioned certificate to the Debenture Holders within the time period prescribed by the Debenture Holders.

(c) The proceeds of the Debentures will be utilised solely for the Purpose and will not be utilised for any purpose set out in Clause 5.2.

10.2. **Representations and Warranties of the Company**

The Company makes the representations and warranties set out in this Clause 10.2 to the Debenture Trustee for the benefit of the Debenture Holders as on the Effective Date, which representations shall be true and valid on each day until the Final Settlement Date.

(a) **Status**

(i) It is a company, duly incorporated, registered and validly existing under Applicable Law.



- (ii) It is a non-banking financial company registered with the RBI.
- (iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) **Binding obligations**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with, or constitute a default under:

- (i) any Applicable Law;
- (ii) its Constitutional Documents;
- (iii) any judgement, decree, order or award; or
- (iv) any agreement or instrument binding upon it or any of its Assets.

(d) **Power and authority; Illegality**

- (i) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents.
- (ii) It is not unlawful or illegal for the Company to perform any of its obligations under the Transaction Documents.

(e) **Validity and admissibility in evidence**

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(f) **No default**

- (i) No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under



the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

- (iii) The issuance of the Debentures would not result in any breach of Applicable Law (including without limitation, the NBFC Directions).

(g) **Ranking**

- (i) The Debentures shall rank *pari passu inter se*.
- (ii) The Company's payment obligations under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) **No proceedings pending**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been threatened or commenced against the Company, which if determined adversely, may have or which purports to have a Material Adverse Effect (including on the business condition (financial or otherwise), operations, performance or prospects of the Company, or that purports to affect the Debentures).

(i) **No misleading information**

All information provided by the Company to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(j) **Compliance**

- (i) The Company has complied with Applicable Law.
- (ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect.
- (iii) No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- (iv) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.

(k) **Assets**

- (i) Except for the security interests and encumbrances created and recorded with the ROC, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets

necessary for the conduct of its business as it is being, and is proposed to be, conducted.

- (ii) Without prejudice to (i) above, the Company is the sole owner of all Assets shown on its financial statements provided to the Debenture Holders, other than specifically set out in the aforementioned financial statements.

(l) **Financial statements**

- (i) Its audited financial statements most recently supplied to the Debenture Trustee as of March 31, 2024 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its audited financial statements as of March 31, 2024 provided to the Debenture Trustee, give an accurate, true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) **Solvency**

- (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into this Deed or any other Transaction Document.
- (ii) The Company is solvent and is capable of paying/meeting its obligations as and when they become due.
- (iii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (iv) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (v) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (vi) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Company (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).
- (vii) No reference has been made, or enquiry or proceedings commenced, in respect of the Company, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) **Hypothecated Assets**

- (i) The Hypothecated Assets are the sole and absolute property of the Company and are



free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

- (ii) None of the Client Loans comprising the Hypothecated Assets have been previously hypothecated, sold, transferred or assigned to any other bank or financial institution.
- (iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(o) **Material Adverse Effect**

- (i) No fact or circumstance, condition, proceeding or occurrence exists that has a Material Adverse Effect (including in relation to the financial condition, business or operation of the Company).
- (ii) No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

10.3. **Financial Covenants**

(a) The Company shall, on a standalone basis:

- (i) commencing from the Effective Date until the Final Settlement Date, maintain a Capital Adequacy Ratio of 18% (eighteen percent) or such other higher threshold as may be prescribed by the RBI from time to time, with Tier I Capital (Capital Adequacy Ratio) of 15% (fifteen percent) or such other higher threshold as may be prescribed by the RBI from time to time;
- (ii) commencing from the Effective Date until the Final Settlement Date, maintain:
  - (A) a leverage (on book) ratio of A:B of not more than 5 (five) times, where A is the aggregate Financial Indebtedness of the Company, and B is the aggregate Net Worth of the Company; and
  - (B) a leverage (on book+ securitized portfolio) ratio of A:B of not more than 5.5 (five decimal five) times, where A is the aggregate of the Financial Indebtedness of the Company and the Off Balance Sheet Portfolio (including securitized portfolio) and the managed portfolio of the Company excluding any co-lending portfolio of the Company, and B is the aggregate Net Worth of the Company;
- (iii) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not more than 12% (twelve percent), where A is the Portfolio At Risk Over 30 Days (Own), and B is the Company's entire Assets Under Management, multiplied by 100, and followed by the "%" symbol;
- (iv) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not more than 5% (five percent), where A is the Portfolio At Risk Over 90 Days (Own), and B is the Company's entire Assets Under Management, multiplied by 100, and followed by the "%" symbol;



- (v) commencing from the Effective Date upto 1 (one) year, maintain a positive Cumulative mismatch in ALM across all buckets to the extent of atleast 10%.
  - (vi) commencing from the Effective Date until the Final Settlement Date, maintain maximum permissible ratio of sum of the Portfolio at Risk > 90 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to trailing twelve months disbursements shall be 6.00%; and
  - (vii) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not less than 50% (fifty percent) or such higher threshold as may be prescribed by the RBI, where A is the Loan Loss Reserve, and B is the Portfolio At Risk Over 90 Days, multiplied by 100, and followed by the "%" symbol.
  - (viii) Sale/ dilution of promoter shareholding (Direct +Indirect), from their current shareholding as on Deemed date of allotment, by more than 25% requires prior approval from Investor except for fresh equity infusion and ESOPs Issuance.
- (b) The Company shall, on a consolidated basis:
- (i) commencing from the Effective Date until the Final Settlement Date, ensure that the aggregate amount of Client Loans originated by the Company on its own books is not less than 40% (forty percent) of its entire Assets Under Management;
  - (ii) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not more than 12% (twelve percent), where A is the Portfolio At Risk Over 30 Days (AUM), and B is the Company's entire Assets Under Management, multiplied by 100, and followed by the "%" symbol;
  - (iii) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not more than 5% (five percent), where A is the Portfolio At Risk Over 90 Days (AUM), and B is the Company's entire Assets Under Management, multiplied by 100, and followed by the "%" symbol;
  - (iv) commencing from the Effective Date until the Final Settlement Date, maintain a maximum permissible ratio of sum of the Par > 90 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Trailing Twelve Months Disbursements shall be 6.00% (six point zero zero percent); and
  - (v) commencing from the Effective Date until the Final Settlement Date, maintain a ratio of A:B of not more than 6 (six) times where A is the aggregate of the Financial Indebtedness of the Company, the Off Balance Sheet Portfolio, the managed portfolio of the Company and the co-lending portfolio of the Company, and B is the aggregate Net Worth of the Company.
- (c) The Company and the Holding Company shall, on a consolidated level, commencing from the Effective Date until the Final Settlement Date, maintain a healthy earning profile, and ensure that no losses are incurred or reported that are more than 15% (fifteen percent) of the Holding Company's Net Worth (as determined for the trailing 12 (twelve) month period).
- (d) The financial covenants set out in this Clause 10.3 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis on each Quarterly Date, on the basis of consolidated and standalone financial statements of the Company.

#### 10.4. Reporting Covenants





The Company shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

- (a) as soon as available, and in any event within 180 (one hundred and eighty) calendar days after the end of each Financial Year, the certified copies of its audited consolidated and non-consolidated (if any) financial statements (together with the annual reports) for its most recently completed fiscal year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Company whether absolute or contingent as of the date thereof;

- (b) within 120 (one hundred and twenty) calendar days after the end of each Financial Year:
- (i) a certificate from an independent chartered accountant stating that the Company is in compliance with all the financial covenants prescribed in Clause 10.3 (*Financial Covenants*) on the basis of the audited financial statements of the Company;
  - (ii) a certificate from an independent chartered accountant stating that (A) subject to the terms of the Deed of Hypothecation, the Client Loans hypothecated to the Debenture Trustee are in compliance with the eligibility criteria prescribed in the Deed of Hypothecation, (B) the Debenture Trustee has an exclusive and first ranking charge on the Hypothecated Assets, (C) the Security Cover is maintained in accordance with the Transaction Documents, and (D) details of the Hypothecated Assets (including loan ID, location, amount sanctioned, amount outstanding, overdue status and any other details prescribed by the Debenture Holders);
  - (iii) a certificate from a director or a Chief Financial Officer of the Company confirming that there is no existing potential Event of Default or Event of Default; and
  - (iv) a copy of all annual information/reports submitted to the RBI;
- (c) within 45 (forty-five) calendar days after each Quarterly Date:
- (i) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow; and
  - (ii) a certificate signed by the chief financial officer or an authorised signatory of the Company stating that the Company is in compliance with all the financial covenants prescribed in Clause 10.3 (*Financial Covenants*) on the basis of the most recent unaudited financial statements of the Company;
- (d) As soon as available and in any event within 45 (forty-five) calendar days after the end of each quarter, ALM statement in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.
- (e) as soon as practicable and in any event within 15 (fifteen) calendar days (in respect of any changes/actions requiring the approval of the board of directors) and 15 (fifteen) calendar days (in all other cases) of the occurrence of the following events, the details of:



- (i) any change in the composition of the board of directors of the Company;
- (ii) any change in the Company's shareholding structure;
- (iii) any change in any of the key managerial personnel or any changes in Board of the Company;
- (iv) details of the occurrence of any fraud amounting to more than 1% (one percent) of Gross Loan Portfolio;
- (v) any change in the accounting policy of the Company which has a Material Adverse Effect. PROVIDED THAT the foregoing does not apply to a change in the accounting policy of the Company pursuant to Applicable Law;
- (vi) any change in the Constitutional Documents other than any changes in relation to the following:
  - (A) any increase in authorised share capital of the Company and/or any re-classification of the share capital of the Company;
  - (B) any appointment of any observer on the board of directors of the Company on behalf of any investor;
  - (C) any appointment of any nominee director on the board of directors of the Company on behalf of any investor; and
  - (D) any change in the Constitutional Documents as a result of any amendment in the shareholders' agreement entered with any shareholder/investor.

PROVIDED THAT the change(s) or amendment(s) referred to in (A) to (D) above shall not be prejudicial to the interests of the Debenture Holders; and
- (vii) details of any new segment of business other than the business carried out by the Company as of the Effective Date in accordance with the Constitutional Documents;
- (f) as soon as practicable, and in any event within 1 (one) day after the Company obtains actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;
- (g) as soon as practicable, and in any event within 1 (one) Business Day after the Company obtains actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property (including the Hypothecated Assets) or operations, which, if adversely determined, could result in a Material Adverse Effect;
- (h) as soon as practicable, and in any event within 1 (one) day after the Company obtains actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default or potential Event of Default including any steps taken to cure such event;
- (i) as soon as practicable, and in any event within 1 (one) Business Day, any prepayment, or the receipt of notice of any Financial Indebtedness of the Company declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;
- (j) as soon as practicable, and in any event within 1 (one) Business Day after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Company or contained in any instrument or agreement



evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Company;

- (k) as soon as practicable, and in any event within 1 (one) day, inform the Debenture Trustee if it has received (i) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time), or (ii) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process in respect of the Company, or of any suit or other legal process against the Company relating to the commencement/initiation of winding up or insolvency process in respect of the Company;
- (l) without prejudice to sub-Clause (l) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional information as the Debenture Trustee or the Debenture Holders may reasonably request from time to time, including in respect of the Company's portfolio, performance and quality of data; and
- (m) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Company) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.
- (n) The Company shall disclose all such information to the Debenture Trustee under applicable laws and shall file with the BSE all such information as required under SEBI Listed Debentures Circulars and Regulations.

#### 10.5. Affirmative Covenants

The Company shall:

(a) ***Use of Proceeds***

use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and Clause 5 (*Purpose*) of this Deed;

(b) ***Loss or damage by uncovered risks***

promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(c) ***Costs and expenses***

pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating

to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(d) **Payment of Rents, etc.**

punctually pay all rents, royalties, taxes, duties, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when such amounts are payable;

(e) **Preserve corporate status**

- (i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;
- (ii) comply with all acts, authorisations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority;
- (iii) promptly obtain, comply with all necessary authorisations, licenses, consents and approvals required under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents; and
- (iv) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;

(f) **Pay stamp duty**

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws. In the event the Company fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Company shall reimburse the aforementioned amounts to the Debenture Trustee on demand;

(g) **Furnish information to trustee**

- (i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company;
- (ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;
- (iii) furnish quarterly report to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:
  - (A) updated list of the names and addresses of the Debenture Holders;
  - (B) details of the interest due, but unpaid and reasons thereof;
  - (C) the number and nature of grievances received from the Debenture Holders



and resolved and unresolved by the Company along with the reasons for the same; and

- (D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due;
- (iv) provide a periodical status/performance report within 7 (seven) days of the relevant board meeting of the Company, or within 45 (forty five) days of a Quarterly Date, whichever is earlier; and
- (v) inform and provide the Debenture Trustee with applicable documents in respect of the following:
  - (A) notice of any Event of Default or potential Event of Default;
  - (B) any and all information required to be provided to the Debenture Holders under Applicable Law; and
  - (C) any and all orders, directions, notices, of any court or tribunal affecting or likely to affect the Hypothecated Assets;

(h) **Redressal of Grievances**

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(i) **Comply with Investor Education and Protection Fund requirements**

comply with the provisions of the Companies Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it. The Company hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines, if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority in relation to IEPF (as and when required);

(j) **Corporate Governance; Fair Practices Code**

comply with any corporate governance requirements applicable to the Company (as may be prescribed by the RBI, SEBI, any stock exchange, or any Governmental Authority) and the fair practices code prescribed by the RBI;

(k) **Further assurances**

- (i) provide details of any litigation, arbitration, legal action or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Company (including any proceedings which are required to be disclosed by the Company to the relevant stock exchanges under Applicable Law), other than those proceedings which are initiated by the Company in its capacity as a lender in respect of the Client Loans in its ordinary course of business;
- (ii) comply with any monitoring and/or servicing requests from Debenture Holders;
- (iii) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture



Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

- (iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations and licenses necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;
- (v) comply with:
- (A) all Applicable Law (including but not limited to all environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
  - (B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
  - (C) the provisions of the Companies Act in relation to the Issue;
  - (D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date; and
  - (E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders;
  - (F) if so required, the requirements prescribed under Chapter XI (*Operational framework for transactions in defaulted debt securities post maturity date/ redemption date*) of the Listed NCDs Master Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with the aforementioned requirements;

(l) **Transaction Security and Corporate Guarantee**

the Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Debentures shall be secured by a first ranking exclusive and continuing security by way of a first ranking exclusive and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;
- (ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;
- (iii) the Debentures shall be guaranteed/credit enhanced by the Corporate Guarantee



provided/to be provided by the Guarantor in favour of the Debenture Trustee for the benefit of the Debenture Holders;

- (iv) the Company shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;
- (v) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;
- (vi) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the duly stamped Deed of Hypothecation;
- (vii) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and provide all information and assistance that the Debenture Trustee may require, to enable it to file the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;
- (viii) until the Final Settlement Date, the Company shall, within the timelines prescribed in the Deed of Hypothecation, provide a list of specific loan receivables/identified book debts to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;
- (ix) to keep the Application Money in a separate bank account in the event this Deed and the other Transaction Documents are not executed on or before the Deemed Date of Allotment;
- (x) the Company shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. Without prejudice to the above, in the event the Client Loans comprising the Hypothecated Assets are classified as "overdue" in the books of the Company (determined in accordance with the criteria prescribed by the RBI), the Company will promptly and in no case later than the time period set out in the Deed of Hypothecation, ensure that the value of the Hypothecated Assets equals or exceeds the stipulated Security Cover by creating a charge by way of hypothecation over additional or new current receivables/Client Loans in respect of receivables/Client Loans that fulfil the eligibility criteria prescribed in the Transaction Documents;
- (xi) the Company shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;
- (xii) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;
- (xiii) furnish and execute all necessary documents to give effect to the Hypothecated Assets;



- (xiv) the security interest created on the Hypothecated Assets shall be a continuing security;
- (xv) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation;
- (xvi) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Debenture Trustee and/or the Debenture Holders;
- (xvii) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under this Deed; and
- (xviii) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(m) **Execution of Transaction Documents**

in the event of any delay in the execution of any Transaction Documents (including this Deed, the Deed of Hypothecation or the Corporate Guarantee), at the option of the Debenture Holders, either:

- (i) refund the Application Money together with interest at the Interest Rate/dischARGE the Secured Obligations to the Debenture Holders; or
- (ii) pay to the Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Interest Rate till the relevant Transaction Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders;

(n) **Internal Control**

maintain internal control for the purpose of:

- (i) preventing fraud on amounts lent by the Company; and
- (ii) preventing money being used for money laundering or illegal purposes;

(o) **Audit and Inspection**

permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them with prior written notice of 7 (seven) calendar days;

(p) **Books and Records**

maintain its accounts and records in accordance with Applicable Law; and

(q) **Access; Periodic Portfolio Monitoring**

provide the Debenture Trustee and the Debenture Holders and any of their representatives, professional advisers and contractors with relevant data/information and access to and/or





permit them to, at the cost of the Company:

- (i) examine and inspect the books and records, office premises, and the premises of the Company;
- (ii) portfolio data in the format prescribed by the Debenture Holders from time to time; and
- (iii) discuss the affairs, finances and accounts of the Company with, and be advised as to the same, by the relevant officers.

#### 10.6. Negative Covenants

The Company shall not take any action in relation to the items set out in this Clause 10.6 (*Negative Covenants*) without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders). Any request under this Clause 10.6 (*Negative Covenants*) must be accompanied by all relevant information substantiating the request to enable the Debenture Holders to make a reasoned decision.

The Debenture Trustee shall provide its prior written consent/dissent within 7 (seven) calendar days after receiving a request to provide its consent. PROVIDED THAT in respect of any of the matters set out in this Clause 10.6 (*Negative Covenants*) (other than those set out under Clause 10.6(b) (*Dividend*), Clause 10.6(g) (*Disposal of Assets*) and Clause 10.6(i) (*Related Party Transactions*), where no consent/rejection is provided by the Debenture Trustee within 7 (seven) days from the date of receipt of the request by the Debenture Trustee (from the Company), the Company may proceed with the action for which consent is required in respect of any of the matters set out in this Clause 10.6 (*Negative Covenants*) (other than those set out under Clause 10.6(b) (*Dividend*), Clause 10.6(g) (*Disposal of Assets*) and Clause 10.6(i) (*Related Party Transactions*)) provided such action does not result in an Event of Default.

It is hereby clarified that the prior written consent/dissent of the Debenture Trustee would need to be obtained in respect of any action for which consent is required under Clause 10.6(b) (*Dividend*), Clause 10.6(d) (*Change in Management Control; Shareholding*), Clause 10.6(g) (*Disposal of Assets*) and Clause 10.6(i) (*Related Party Transactions*) below.

##### (a) *Change of business*

- (i) change the general nature of its business from that which is permitted as a non-banking financial company registered with the RBI; and/or
- (ii) any changes or amendments to its Constitutional Documents other than:
  - (A) any increase in authorised share capital of the Company and/or any re-classification of the share capital of the Company;
  - (B) any appointment of any observer on the board of directors of the Company on behalf of any investor;
  - (C) any appointment of any nominee director on the board of directors of the Company on behalf of any investor; and
  - (D) any change in the Constitutional Documents as a result of any amendment in the shareholders' agreement entered with any shareholder/investor.

PROVIDED THAT the change(s) or amendment(s) referred to in (A) to (D) above shall not be prejudicial to the interests of the Debenture Holders;



(b) **Dividend**

if a Payment Default has occurred and is continuing, declare or pay any dividend to shareholders (of equity shares or preference shares) of the Company during any Financial Year;

(c) **Merger, consolidation, etc.**

enter into any or propose to enter into any merger, de-merger, consolidation, re-organization, scheme of arrangement, compromise or settlement with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;

(d) **Change in Management Control; Shareholding**

- (i) permit the occurrence of any change in the Management Control; or
- (ii) The Company shall ensure Mr. Ashish Goyal and Mr. Akshay Mehrotra, shall jointly maintain more than 10% (ten percent) of the shareholding in the Corporate Guarantor (directly and/or indirectly) except for any dilution happening on account of ESOP issuance and fresh issuance of equity in the Corporate Guarantor;
- (iii) shall continue to have Management Control over the Company;
- (iv) The Company shall ensure that Mr. Akshay Mehrotra and Mr. Ashish Goyal shall continue to hold executive positions on the board of the Company and shall retain a Management Control over the Company and the Corporate Guarantor until Final Redemption Date;
- (v) The Company shall ensure that Mr. Akshay Mehrotra and Mr. Ashish Goyal shall directly or indirectly on a cumulative basis shall not reduce their shareholding in the Corporate Guarantor by more than 25% (twenty-five percent) of their existing holding (computed on fully diluted basis) as on the Deemed Date of Allotment until Final Redemption Date. Provided however, this clause shall not be applicable in case of any dilution happening on account of fresh equity infusion or dilution due to employee stock option plan(s) in the Corporate Guarantor;
- (vi) The Company shall ensure that Mr. Akshay Mehrotra and Mr. Ashish Goyal shall continue to be the promoter of the Corporate Guarantor until Final Redemption Date.

(e) **Change in Capital Structure**

- (i) permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorised capital of the Company; or
- (ii) purchase, redeem, buyback, defease, retire, return or pay any of its issued shares or reduce its share capital or resolve to do any of the foregoing, other than any purchase or buyback of any equity shares that are allotted pursuant to the Company's employee stock option scheme(s);

(f) **Change in Financial Year**

change its Financial Year end from March 31 (or such other date as may be approved by the Debenture Holders) of each year to any other date, unless such change is required pursuant to Applicable Law;

(g) **Disposal of Assets**

- (i) sell, assign, transfer, or otherwise dispose of in any manner whatsoever any material Assets, business or division of the Company (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) other than any securitisation/portfolio sale of assets undertaken by the Company in its ordinary course of business; or
  - (ii) without prejudice to (i) above, any sale of assets or business or division of the Company that has the effect of exiting or re-structuring of the existing business of the Company;
- (h) **Business**
- undertake any new major new businesses except in relation to financial services or diversify its business outside the financial services sector;
- (i) **Related Party Transactions**
- (A) enter into any transactions with any Related Party of the Company, other than any transaction that is entered on an arms' length basis, and in the ordinary course of business of the Company; or
  - (B) directly or indirectly lend to any of its group companies, its Promoters or any Related Party.
- (j) **Immunity**
- claim for itself or any of its Assets, immunity from any suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process in any jurisdiction.
- (k) **Repayment of loans**
- The Company shall not repay (except by way of equity conversion) unsecured loans from Promoters/ related parties/ inter-corporate deposits, wherein the Event of Default is subsisting.

## 11. EVENTS OF DEFAULT AND REMEDIES

### 11.1 Consequences and Remedies

If one or more events specified in Clause 11.2 (*Events of Default*) occur(s), the Debenture Trustee may, in its discretion, and, upon request, in writing, of the Special Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in Schedule II (*Provisions for the Meetings of the Debenture Holders*), by a notice in writing to the Company initiate the following course of action:

- (a) subject to Applicable Law, require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with this Deed and the other Transaction Documents;
- (b) subject to Applicable Law, accelerate the redemption of the Debentures and declare all or any of the Debentures to be due and payable immediately (or on such date as may be prescribed by the Debenture Trustee), whereupon it shall become so due and payable;
- (c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents;

- (d) invoke/enforce the Corporate Guarantee provided by the Guarantor in accordance with the terms thereof;
- (e) appoint any independent agency to inspect and examine the working of the Company and give a report to the Debenture Holders/the Debenture Trustee. The Company shall provide its full co-operation and necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses;
- (f) Entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the RBI's circular no. DBR. No. BP.BC. 45/21.04.048/2018-19 dated June 7, 2019 "Prudential Framework for Resolution of Stressed Assets", as amended, modified or restated from time to time) and as consolidated under the Master Circular – Prudential Norms on Income, Recognition, Asset Classification and Provisioning Pertaining to Advances dated October 1, 2021 or any resolution plan shall be subject to the terms of the Master Circular for Debenture Trustee (including without limitation, the resolution plan being finalised within the time period prescribed in the Master Circular for Debenture Trustee);
- (g) to take any actions in respect of the Master Circular for Debenture Trustee;
- (h) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company;
- (i) the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement/legal proceedings and shall inform the designated stock exchange of such occurrence and the obtaining of any consent in respect thereof (if any). The amount lying in the Recovery Expense Fund may be released to the Debenture Trustee within such time period and such manner as may be prescribed under the Master Circular for Debenture Trustee. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received from Recovery Expense Fund towards enforcement/legal proceedings under the Transaction Documents.
- (j) take all such other action as is expressly permitted under this Deed or in the other Transaction Documents or permitted under Applicable Law (including initiating any insolvency proceedings under the Insolvency and Bankruptcy Code, 2016); and/or
- (k) exercise any other right that the Debenture Trustee and/or the Debenture Holders may have under the Transaction Documents or under Applicable Law.

11.1A Without prejudice to Clause 11.1 above, if one or more events specified in Clause 11.2 (Events of Default) occur(s), the Debenture Trustee (acting on the instructions of the Debenture Holders) has the option (but not the obligation) to require the obligors in relation to the Client Loans comprising the Hypothecated Assets to directly deposit all interest and principal instalments and other amounts in respect of the relevant Client Loans in the account specified by the Debenture Trustee (acting on the instructions of the Debenture Holders). All such payments will be used to discharge the amounts outstanding and due from the Company in respect of the Debentures.

## 11.2 Events of Default

### (a) **Payment Defaults**

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless the failure to pay is caused by a technical error and the payment is made within 1 (one) Business Day of the Due Date.



(b) **Insolvency / Inability to Pay Debts**

- (i) The Company or the Guarantor is unable or admits in writing its inability to pay its debts as they fall due/mature, or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.
- (ii) Any resolution is passed resolving or to consider resolving that the Company or the Guarantor be wound up voluntarily, or any order for winding up of the Company or the Guarantor is made by any competent court or tribunal, other than for the purposes of any amalgamation or reconstruction of the Company or the Guarantor entered into with the prior approval of the Debenture Trustee in accordance with the provisions of this Deed.
- (iii) The Company or the Guarantor commits any act or undertakes any action which may result in the insolvency/liquidation/bankruptcy (as the case may be) of the Company or the Guarantor, or proceedings for taking the Company/Guarantor into insolvency/liquidation/bankruptcy (as the case may be) have been admitted by any competent court or any protection from its creditors is declared or imposed in respect of any indebtedness of the Company or the Guarantor.
- (iv) The Company or the Guarantor being determined as insolvent under the Insolvency and Bankruptcy Code, 2016 read with any other rules and regulations framed thereunder from time to time).
- (v) A moratorium in respect of the Company or the Guarantor, or the Financial Indebtedness of the Company/Guarantor, or any other protection from the creditors/holders of Financial Indebtedness of the Company/Guarantor is declared.

(c) **Business**

- (i) The Company or the Guarantor without obtaining the prior consent of the Majority Debenture Holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so.
- (ii) The passing of any order of a competent court or tribunal ordering, restraining or otherwise preventing the Company or the Guarantor from conducting all or any material part of its business.
- (iii) The Company's organizational status or any licenses or franchise is revoked or suspended by any Governmental Authority, and the Company has exhausted all remedies and appeals relating thereof.
- (iv) The Guarantor's organizational status or any licenses or franchise is revoked or suspended by any Governmental Authority, and the Guarantor has exhausted all remedies and appeals relating thereof.

(d) **Misrepresentation**

Any representation or warranty made by the Company or the Guarantor in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company or the Guarantor shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.



(e) **Material Adverse Effect**

The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions on the Majority Debenture Holders).

(f) **Cross Default**

- (i) The Company or the Guarantor defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created.
- (ii) The Company or the Guarantor defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity.
- (iii) Any Financial Indebtedness of the Company or the Guarantor is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof.
- (iv) Payment default on any other Financial Indebtedness. Payment acceleration in any other Financial Indebtedness in other lending documents of the Company, by whatever name called whether as a result of an event of default or breach of any covenants under relevant financing documents.

(g) **Liquidation or Dissolution / Appointment of Receiver or Liquidator**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or the Guarantor;
- (ii) a composition, compromise, assignment or arrangement with any creditor of the Company or the Guarantor otherwise than in accordance with the terms of this Deed;
- (iii) a liquidator, receiver, provisional liquidator, administrative receiver, administrator, compulsory manager, resolution professional, trustee, supervisor or other similar officer in respect of the Company or the Guarantor, or any of its assets or any part of the undertaking of the Company or the Guarantor, being appointed or is allowed to be appointed;
- (iv) a petition for reorganization arrangement, adjustment, winding up, liquidation or composition of debts of the Company or the Guarantor, is filed by the Company or the Guarantor (voluntary or otherwise) or any other person, or such a petition has been admitted, and such proceedings are not contested by the Company or the Guarantor for staying, quashing and/or dismissed within 15 (fifteen) calendar days of filing;
- (v) the Company or the Guarantor, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism



or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework);

- (vi) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company or the Guarantor;
- (vii) enforcement of any security over any Assets of the Company or the Guarantor, or any analogous procedure or step is taken in any jurisdiction; or
- (viii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vii) above.

(h) **Creditors' Process and Expropriation**

- (i) Any expropriation, attachment, garnishee, sequestration, distress or execution affects the Hypothecated Assets (or any part thereof), or any part of the Assets of the Company or the Guarantor, and is not discharged within 15 (fifteen) days or as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions.
- (ii) All or a material part of the undertaking, assets, rights or revenues of the Company or the Guarantor are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of all or substantial part of the business or operations of the Company or the Guarantor (including operations, properties and other assets), or shall have taken any action for the dissolution of the Company or the Guarantor, or any action that would prevent the Company or the Guarantor, its members, or its officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority.

(i) **Judgment Defaults**

One or more judgments or decrees entered against the Company or the Guarantor involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 50% (fifty percent) of the Total Assets of the Company or the Guarantor provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal within a period of 30 (thirty) days.

(j) **Transaction Documents; Authorisations**

- (i) This Deed or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Company or the Guarantor (as the case may be).
- (ii) The withdrawal, failure of renewal, or failure by the Company or the Guarantor to obtain any Authorisation or any other statutory or regulatory approval in any relevant jurisdiction for the issuance of the Debentures or the providing of the Transaction Security.

(k) **Delisting**



If these Debentures are listed and any of these Debentures are subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(l) **Unlawfulness**

It is or becomes unlawful or illegal for the Company or the Guarantor to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company or the Guarantor under any Transaction Document are not or cease to be valid, binding or enforceable.

(m) **Repudiation**

The Company or the Guarantor repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(n) **Security in Jeopardy**

In the opinion of the Debenture Trustee any Hypothecated Asset(s) are in jeopardy.

(o) **Transaction Security**

- (i) The value of the Hypothecated Assets is insufficient to maintain the Security Cover or the Company fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the time period prescribed under the Deed of Hypothecation.
- (ii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.
- (iii) The Company creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.
- (iv) The Company fails to create and perfect the security over the Hypothecated Assets within the timelines prescribed by under the Transaction Documents (including in respect of the filing of Form-CHG 9 with the ROC).
- (v) The Corporate Guarantee is not provided to the satisfaction of the Debenture Trustee within the timelines prescribed under the Transaction Documents.

(p) **Fraud and Embezzlement**

- (i) The Company or key managerial person (as defined in the Companies Act) of the Company, or any other officer of the Company commits any act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Company or the Promoters of the Company or revenues or any other act having a similar effect being committed by the management or an officer of the Company.
- (ii) The Guarantor or key managerial person (as defined in the Act) of the Guarantor, or any other officer of the Guarantor commits any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Guarantor or the promoters (as defined in the Act) of the Guarantor or revenues or any other act





having a similar effect being committed by the management or an officer of the Guarantor.

(q) **Merger or Acquisition**

The Company or the Guarantor takes or permits to be taken any action for reduction of its capital, the re-organisation of its capital or any rearrangement, merger or amalgamation without the prior approval of the Debenture Holders.

(r) **Erosion of Net Worth**

The Net Worth of the Company erodes by 50% (fifty percent) or more, from that existing as of Effective date.

(s) **Change of Management Control**

The occurrence of any change in the Management Control without taking the prior consent of the Debenture Trustee in accordance with Clause 10.6 (*Negative Covenants*) above.

(t) **Breach of Financial Covenants**

Any breach of any of the financial covenants set out in Clause 10.3 (*Financial Covenants*) which is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not cured within the Cure Period for Financial Covenants.

(u) **Breach of Reporting Covenants**

Any breach of any of the affirmative covenants set out in Clause 10.4 (*Reporting Covenants*) which is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not cured within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.

(v) **Breach of Affirmative Covenants**

Any breach of any of the affirmative covenants set out in Clause 10.5 (*Affirmative Covenants*) which is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not cured within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.

(w) **Breach of Negative Covenants**

Any breach of any of the negative covenants set out in Clause 10.6 (*Negative Covenants*) which is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not cured within such time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.

(x) **Breach of Other Covenants**

Any breach of any covenant or undertaking of the Company or the Guarantor in the Transaction Documents (other than sub-Clauses (a) to (v) above), and such breach, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), is not remedied within such time period as may be prescribed by



the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.

### 11.3 Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default (as applicable).

## **PART C - OTHER TERMS AND CONDITIONS**

### 12. COMPUTATION OF INTEREST; BUSINESS DAY CONVENTION

- (a) Interest and all other charges shall accrue based on an actual/actual basis.
- (b) If any Due Date on which any interest or additional interest is payable (other than the last Interest Payment Date) falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (c) If any Due Date on which any Outstanding Principal Amounts are payable, or the last Interest Payment Date, falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately preceding Business Day.
- (d) In the absence of anything to the contrary, if any day for performance of any acts under the Transaction Documents (other than those set out in sub-Clause (b) and sub-Clause (c) above) falls on a day which is not a Business Day, such acts shall be performed shall be made on the immediately preceding Business Day.

### 13. OTHER TERMS OF THE DEBENTURES

#### 13.1. Debentures Free from Equity

The Debenture Holders will be entitled to their Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

#### 13.2. Debenture Holders not Entitled to Shareholders' Rights

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders including the right to receive notices of or to attend and vote at general meetings of the Company, other than those available to them under Applicable Law. PROVIDED THAT if any resolution affecting the rights attached to the Debentures is placed before the shareholders, such resolution will first be placed before the Debenture Holders for their consideration.

#### 13.3. Variation in Debenture Holders' Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or amended only in accordance with Clause 19.10.

### 14. FEES AND COSTS

- (a) The Company shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty on this Deed, all transfer fees and applicable charges, legal advisors' fees and expenses, fees of the Debenture Trustee, fees of the Rating Agency, and any other fees or expenses incurred in the preparation of the Transaction Documents or in relation to any transactions or matters contemplated under this Deed and



any other Transaction Documents (including any action to preserve any rights in respect thereof).

(b) Notwithstanding anything else provided in the Transaction Documents, all reasonable costs and expenses incurred by the Debenture Trustee prior to or following the occurrence of an Event of Default, including in connection with:

- (i) preservation of the security interest created under the Transaction Documents (whether then or thereafter existing);
- (ii) collection of amounts due under the Transaction Documents;
- (iii) engaging all intermediaries (including any accountants, auditors, custodial services);
- (iv) legal costs;
- (v) stamp duty on any Transaction Documents; or
- (vi) all expenses in relation to the Issue,

shall be payable by the Company and shall stand secured under the Transaction Documents.

#### 15. INDEMNITY

(a) The Company shall, within 10 (ten) calendar days of demand, indemnify the Debenture Holders and the Debenture Trustee from time to time, against any and all losses, liabilities, obligations, damages, judgments, costs, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, of any kind or nature incurred by the Debenture Trustee/Debenture Holders as a result of:

- (i) the occurrence of any Event of Default;
- (ii) the occurrence of any Material Adverse Effect;
- (iii) any demand for any stamp duty, registration fee or any other duty, fee, costs, or imports received from any Governmental Authority in relation to the transactions contemplated under the Transaction Documents (including without limitation, any demand from stamp duty arising because any Transaction Document has been taken or has been received (whether by way of facsimile, photocopy or electronic record) in any state other than the state in which it has been executed; and/or
- (iv) a failure by the Company to pay any amount due under any Transaction Document on its due date.

(b) Any indemnification payment made by the Company shall be grossed up to take into account any taxes, payable by the Debenture Trustee/Debenture Holders or deductible by the Company on such payment.

(c) The indemnification rights of the Debenture Trustee/Debenture Holders under this Deed are independent of, and in addition to, such other rights and remedies as the Debenture Trustee/Debenture Holders may have under Applicable Law or in equity or otherwise, including the right to seek specific performance or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

(d) The Company acknowledges and agrees that any payments to be made pursuant to this Clause



15 are not in the nature of a penalty but merely reasonable compensation for the loss that would be suffered, and therefore, the Company waives all rights to raise any claim or defence that such payments are in the nature of a penalty and undertakes that it shall not raise any such claim or defence.

16. **PROVISIONS FOR MEETING OF DEBENTURE HOLDERS**

The provisions set out in Schedule II (*Provisions for the Meetings of the Debenture Holders*) shall apply to the meetings of the Debenture Holders.

17. **GOVERNING LAW AND JURISDICTION**

(a) **Governing Law**

This Deed is governed by and construed in accordance with the laws of India.

(b) **Jurisdiction**

- (i) The Parties agree that the courts and tribunals at New Delhi, India shall have exclusive jurisdiction to settle all disputes which may arise out of or in connection with this Deed ("**Dispute**"). Accordingly, any suit, action or proceedings relating to any Dispute (together referred to as "**Proceedings**") arising out of or in connection with this Deed may be brought in the courts and tribunals of New Delhi, India and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts and tribunals.
- (ii) The Parties irrevocably waive any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at New Delhi, India and any claim that any such Proceedings have been brought in an inconvenient forum. The Company further irrevocably agrees that a judgment in any Proceedings brought in the courts and tribunals at New Delhi, India shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by Applicable Law.
- (iii) Nothing contained in this Clause 17(b) (*Jurisdiction*), shall limit any right of the Debenture Trustee to take the Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.
- (iv) The Company hereby consents generally in respect of any Proceedings arising out of or in connection with this Deed to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any Hypothecated Assets whatsoever (irrespective of its use or intended use) pursuant to any order or judgment which may be made or given in such Proceedings by a court/ tribunal of a competent jurisdiction.
- (v) The Company irrevocably agrees that, should any Party take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise in



connection with this Deed), no immunity (to the extent that they may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of the Hypothecated Assets or from execution of judgment shall be claimed by it or with respect to Hypothecated Assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and the Hypothecated Assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations pursuant to any order or judgement made by a court/ tribunal of a competent jurisdiction.

- (vi) To the extent that the Company may in any jurisdiction claim for itself or its Assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its Assets such immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.
- (vii) Any disputes, differences between the Company and the Debenture Trustee (acting for itself and in its individual capacity) and arising out of or in connection with the activities of the Debenture Trustee in the securities market (acting for itself and in its individual capacity) shall be settled through any dispute resolution mechanism and procedures specified by SEBI in accordance with the Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 ("SEBI ADR Procedures"), if the resolution of the Dispute through the SEBI ADR Procedures is mandatory under Applicable Law, or applicable to the Parties under applicable Law in connection with the Issue. The Parties further agree that, nothing contained in this Clause 17 shall limit any right of the Debenture Trustee to bring in any action against the Company in any other court or tribunal of competent jurisdiction nor shall the taking of such action in one or more jurisdictions preclude the taking of such action in any other jurisdiction whether concurrently or not and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal
- (viii) Save and except for the disputes, differences between the Company and the Debenture Trustee arising out of or in connection with the activities of the Debenture Trustee in the securities market as provided in clause above, the courts and tribunals at the Location of Dispute Resolution shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Transaction Documents (including a dispute regarding the existence, validity or termination of this Agreement) and the Debentures, and that accordingly any suit, action or proceedings arising out of or in connection with the Transaction Documents and/or the Debentures may be brought in such courts and tribunals.

## 18. NOTICES

### 18.1 Communications in writing

Any communication to be made under or in connection with this Deed and/or any other Transaction Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or e-mail.

### 18.2 Addresses

The address, e-mail and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection this Deed and/or any other Transaction Documents is that identified



with its name below, or any substitute address, e-mail, fax number or department or officer as the Party may notify to the other Parties by not less than 2 (two) Business Days' notice:

**If to the Company:**

Address 404, The Chambers, Viman Nagar, Pune Maharashtra 411014  
Telephone 7567263385  
Fax NA  
Attention Ms. Riddhi Shah  
E-mail treasury@earllysalary.com

**If to the Debenture Trustee:**

Address The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051  
Telephone 022 4264 8335  
Attention Mr. Rushabh Desai  
E-mail compliance@vardhmantrustee.com

The address for service of the Debenture Holders will be as per the records of the Company/depository participant of the Debenture Holders.

**18.3 Delivery**

Any communication or document made or delivered by any Party and the Debenture Holders under or in connection with the Transaction Documents will only be effective:

- (a) if by way of fax, when received in legible form on a Business Day during business hours;
- (b) if received by e-mail, when received on a Business Day during business hours; and
- (c) if by way of letter, when it has been left at the relevant address or 2 (two) Business Days after being deposited in the speed post or registered post, in an envelope addressed to it at that address,

and if a particular department or officer is specified as part of its address details provided under Clause 18.2 (*Addresses*), if addressed to that department or officer.

**18.4 Notification of Address, Fax Number and E-mail Address**

Promptly upon receipt of notification of an address, fax number and e-mail address or change of address, fax number or e-mail address pursuant to Clause 18.2 (*Addresses*) or changing its own address, fax number or e-mail address, either Party shall notify the other Parties.

**18.5 Electronic Communication**

Any electronic communication made between the Company and the Debenture Trustee will be effective only when actually received in readable form and in the case of any electronic communication made by the Company to the Debenture Trustee only if it is addressed in such a manner as the Debenture Trustee shall specify for this purpose.

**18.6 Reliance**

- (a) Any notice sent under this Clause 18 (*Notices*) can be relied on by the recipient if the recipient reasonably believes the notice to be genuine and if it bears what appears to be the signature (original or facsimile) of an authorised signatory of the sender (in each case without the need



for further enquiry or confirmation).

- (b) Each Party must take reasonable care to ensure that no forged, false or unauthorised notices are sent to another Party.

#### 18.7 English Language

- (a) Any notice given under or in connection with any Transaction Document must be in English.
- (b) All other documents provided under or in connection with any Transaction Document must be:
- (i) in English; or
  - (ii) if not in English, and if so required by the recipient, accompanied by a certified English translation.

#### 19. MISCELLANEOUS

##### 19.1 Effectiveness

This Deed shall be effective on and from the Effective Date and shall be in force until the Final Settlement Date.

##### 19.2 Severability

Each provision contained in this Deed shall be severable and distinct from each other such provision, and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under Applicable Law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

##### 19.3 Waiver

- (a) The Debenture Trustee may, from time to time, or at any time waive, on such terms and conditions as it deems fit, any of the covenants and provisions contained in this Deed (including any breach by the Company of the covenants and provisions contained in this Deed) without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.
- (b) No delay or omission of the Debenture Trustee or any receiver in exercising any right, power or remedy accruing to the Debenture Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee or any receiver in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Debenture Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the Debenture Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by Applicable Law or equity.

##### 19.4 Lien or pledge of Debentures

The Company shall note a lien or pledge in respect of the Debentures, if such lien or pledge in respect of the Debentures is required by any bank or institution for any loan provided to any Debenture Holder against the lien or pledge of such Debentures.



**19.5 Joint Holders**

Where two or more persons are holders of any Debentures, they shall be deemed to hold the same as joint holders with benefits of survivorship subject to the Constitutional Documents of the Company and Applicable Law.

**19.6 Sharing of information**

The Company may to the extent required by Applicable Law, use its own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with the Company, its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

**19.7 Custody Arrangement**

The Debenture Trustee may keep the Debenture Trustee Agreement, this Deed and the other Transaction Documents obtained by it pursuant to this Deed, at New Delhi, India or any of its other offices or if the Debenture Trustee so decides with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors and the Debenture Trustee shall not be responsible for any loss incurred on account of such custody, subject to such custody not resulting in any additional stamp duty on any Transaction Document.

**19.8 Registrar and Transfer Agent**

The Company has appointed KFin Technologies Limited as the registrar and transfer agent for the Debentures.

**19.9 Inspection of Deed**

- (a) Any Debenture Holder is entitled to inspect this Deed or copy hereof during business hours, at such reasonable time on every working day as the board of directors of the Company may decide without payment of any fee.
- (b) Any Debenture Holder is entitled to obtain a copy of this Deed on payment of such fee as may be specified by the Company.

**19.10 Amendments**

This Deed may be modified or amended with the written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) by way of an instrument in writing executed by the Company and the Debenture Trustee.

**19.11 Counterparts**

This Deed may be executed in any number of counterparts and all counterparts together shall constitute one and the same instrument.

*[Intentionally left blank]*



**SCHEDULE I**  
**PART A**  
**CONDITIONS PRECEDENT**

The Company shall fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee/the Applicants, prior to the Deemed Date of Allotment, and shall submit and provide to the Debenture Trustee/the Applicants:

**CONSTITUTIONAL DOCUMENTS AND AUTHORISATIONS**

- (a) a copy of the Company's Constitutional Documents, certified as correct, complete and in full force and effect by an authorised officer of the Company;
- (b) a copy of resolution of the Company's board of directors/committee of the Company's board of directors authorising the execution, delivery and performance of the Transaction Documents, certified as correct, complete and in full force and effect by an authorised officer of the Company;
- (c) (to the extent applicable) copies of the resolution of the shareholders of the Company under Sections 180(1)(c) and 180(1)(a) of the Act, certified as correct, complete and in full force and effect by an authorised officer of the Company OR a certificate of an authorised person of the Company confirming the non-applicability of Section 180(1)(c) and Section 180(1)(a) of the Act;
- (d) copies of the resolution of the shareholders of the Company under Section 42 of the Act, certified as correct, complete and in full force and effect by an authorised officer of the Company;
- (e) a copy of the Guarantor's constitutional documents (including any amendments thereof, if any) certified as correct, complete and in full force and effect by an authorised officer of the Guarantor;
- (f) a copy of resolution of the Guarantor's board of directors authorising the execution, delivery and performance of the Corporate Guarantee certified as correct, complete and in full force and effect by an authorized officer of the Guarantor;
- (g) a copy of the resolution of the shareholders of the Guarantor under Section 185 of the Companies Act, certified as correct, complete and in full force and effect by an appropriate officer of the Guarantor OR a certificate of an authorised signatory of the Guarantor confirming the non-applicability of Section 185 of the Companies Act;
- (h) a copy of the resolution of the shareholders of the Guarantor under Section 186 of the Companies Act, certified as correct, complete and in full force and effect by an appropriate officer of the Guarantor OR a certificate of an authorised signatory of the Guarantor confirming the non-applicability of Section 186 of the Companies Act;

**TRANSACTION DOCUMENTS**

- (i) execution, delivery and stamping of the Transaction Documents (including the Debt Disclosure Documents) in a form and manner satisfactory to the Debenture Trustee;

**INTERMEDIARY DOCUMENTS**

- (j) a copy of the rating letter and/or the rating rationale issued by the Rating Agency in relation to the Debentures;
- (k) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue;
- (l) a copy of the consent from the Registrar to act as the registrar and transfer agent for the Issue;

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- (m) a copy of the tripartite agreement(s) executed between the Company, the Registrar and the Depository;

#### CERTIFICATES AND OTHERS

- (n) evidence that all 'know your customer' requirements to the satisfaction of the Debenture Trustee/the Applicants has been provided;
- (o) The Company shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures.
- (p) the audited financial statements of the Company for the Financial Year ended March 31, 2024, and to the extent required by the Debenture Holders and available with the Company, the most recently prepared unaudited financial statements of the Company;
- (q) (if so required by the Debenture Holders/Debenture Trustee) a certificate from the authorised signatories of the Company addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate:
- (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Company, together with the names, titles and specimen signatures of such authorised signatories;
  - (ii) the Company has the necessary power under the Constitutional Documents to borrow monies by way of the issuance of the Debentures and create the Transaction Security to secure/collateralise such Debentures;
  - (iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Company to be exceeded;
  - (iv) no consents and approvals are required by the Company from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation;
  - (v) the representations and warranties contained in this Deed are true and correct in all respects;
  - (vi) no Event of Default or potential Event of Default has occurred or is subsisting;
  - (vii) no Material Adverse Effect has occurred;
  - (viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Company or any shareholders' agreements or other documents/instruments entered into by the Company and its shareholders and investors, is required for the Company to enter into or perform its obligations under the Transaction Documents; and
  - (ix) the issuance of the Debentures and the transactions contemplated herein will not have an adverse impact on the rights of any of the shareholders/investors of the Company;
- (r) (if so required by the Debenture Holders/Debenture Trustee) a certificate from the authorised signatories of the Guarantor addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate:
- (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Guarantor, together with the names, titles and specimen signatures of such authorised signatories;



- (ii) the Guarantor has the necessary power under its constitutional documents to provide the Corporate Guarantee;
  - (iii) the representations and warranties contained in the Corporate Guarantee are true and correct in all respects;
  - (iv) the providing of the Corporate Guarantee will not cause any limit binding on the Guarantor to be exceeded (whether regulatory or internal);
  - (v) as the Company is a wholly owned subsidiary of the Guarantor, the provisions of Section 185 of the Companies Act, 2013 do not apply to the providing of the Guarantee or the transactions contemplated under the Corporate Guarantee;
  - (vi) the Corporate Guarantee is in compliance with the provisions of Section 186 of the Companies Act, 2013 (and the thresholds prescribed thereunder);
  - (vii) no Material Adverse Effect has occurred in respect of the Guarantor and/or in the business of the Guarantor; and
  - (viii) no consents or approvals are required by the Guarantor from its creditors or any Governmental Authority or any other person for the providing of the Corporate Guarantee; and
- (s) such other information, documents, certificates, opinions and instruments as the Debenture Holders may reasonably request.

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**SCHEDULE I  
PART B  
CONDITIONS SUBSEQUENT**

The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee:

- (a) Certified true copy of the board resolution for the allotment of the relevant Debentures, on the Deemed Date of Allotment of Debentures;
- (b) the Company shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines Requirements;
- (c) the Company shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines Requirements;
- (d) the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (Two) Business Days from Deemed Date of Allotment or such time as set out under Listed NCDs Master Circular as amended from time to time;
- (e) The Company shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 3 along with requisite fee within the timelines prescribed by the Act and Rules thereunder;
- (f) if so required, the Company shall maintain and file a copy of Form PAS-5 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures;
- (g) the Company shall, in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of execution of the Deed of Hypothecation; and
- (h) comply with such other condition and provide such other information and documents as the Debenture Holders may request or as may be required under Applicable Law (including the Companies Act, and the directions/guidelines issued by the RBI and the SEBI).

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**SCHEDULE II**  
**PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDERS**

The following provisions shall apply to the meetings of the Debenture Holders:

**1. Calling of Meeting**

- (a) The Debenture Trustee or the Company may, at any time, and the Debenture Trustee shall at the occurrence of an event, which constitutes (i) a breach of this Deed, (ii) an Event of Default, or (iii) in its opinion affects the interest of the Debenture Holders, or at the request in writing of the Debenture Holders representing not less than one-tenth in value of the Outstanding Principal Amounts of the Debentures, convene a meeting of the Debenture Holders.
- (b) Any such meeting shall be held at such place in the city where the registered office of the Company is situated or at such other place as the Debenture Trustee shall determine.

**2. Meeting of the Debenture Holders**

- (a) A meeting of the Debenture Holders may be called by giving not less than 21 (twenty one) days' notice in writing.
- (b) A meeting of the Debenture Holders may be called after giving shorter notice than that specified in sub-paragraph (a) above, if consent is accorded thereto by Majority Debenture Holders.

**3. Notice of Meeting of the Debenture Holders**

- (a) Each notice of a meeting of the Debenture Holders shall specify the place and day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (b) Notice of every meeting of the Debenture Holders shall be given to:
- (i) each Debenture Holder in the manner provided in this Deed;
  - (ii) the persons entitled to a Debenture in consequence of death or insolvency of a Debenture Holder, by sending it through e-mail and post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
  - (iii) the Debenture Trustee when the meeting is convened by the Company and to the Company when the meeting is convened by the Debenture Trustee.

**4. Meeting by Alternate Means**

Subject to Applicable Law, the Debenture Holders' meetings may be held by tele-conference or video-conference.

**5. Adoption of Resolutions**

Subject to Applicable Law, the Debenture Holders shall be entitled to adopt resolutions without holding a Debenture Holders' meeting provided such resolutions are approved by Majority Debenture Holders.

6. **Contents of Notice of Meeting**

- (a) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director and the manager, if any, of the Company.
- (b) Where any item of business as aforesaid to be transacted at a meeting of the Debenture Holders relates to, or affects, any other company, the extent of shareholding interest in that company of every director, and the manager, if any, of the first mentioned company shall also be set out in the statement if the extent of such shareholding interest is not less than 20% (twenty percent) of the paid up share capital of that other company.
- (c) Where any item of business relates to the approval of any document by the meeting, said document should be attached to the notice of the meeting.

7. **Quorum**

- (a) The Majority Debenture Holders, personally present shall be the quorum for the meeting of the Debenture Holders and the provisions of following sub-paragraph (b) shall apply with respect thereto.
- (b) If, within half an hour from the time appointed for holding a meeting of the Debenture Holders, a quorum is not present, the meeting, if called upon the requisition of the Debenture Holders shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Debenture Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Debenture Holders present shall be the quorum.

8. **Chairman of the Meeting of the Debenture Holders**

- (a) The nominee of the Debenture Trustee shall be the chairman of the meeting and in his absence the Debenture Holders personally present at the meeting shall elect one of themselves to be the chairman thereof on a show of hands.
- (b) If a poll is demanded on the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Companies Act, the chairman elected on a show of hands exercising (for the time being) all the powers of the chairman under the said provisions.
- (c) If some other person is elected chairman as a result of the poll, he shall be chairman for the rest of the meeting.

9. **Attendance and Voting**

- (a) The Debenture Trustee and the directors of the Company and their respective solicitors may attend any meeting but shall not be entitled as such to vote thereat.
- (b) The Debenture Holders may invite observers to attend the meetings, such observers shall be entitled to speak but shall not be entitled to vote at the meeting.
- (c) At any meeting, a resolution put to the vote at the meeting shall be decided on the basis of a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast



in favour of or against such resolution.

- (d) Before or on the declaration of the result on voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by Debenture Holders representing not less than one-tenth in value of the Outstanding Principal Amounts of the Debentures, present in person or by proxy.

10. **Poll**

- (a) A poll demanded on a question of adjournment shall be taken forthwith.
- (b) A poll demanded on any other question (not being a question relating to the election of a chairman) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the chairman may direct.

11. **Determination of Votes**

At each such meeting each Debenture Holder shall, on a show of hands be entitled to 1 (one) vote only, but a poll be entitled to one vote in respect of every Debenture of which he is a holder in respect of which he is entitled to vote.

12. **Voting; proxies**

- (a) Any Debenture Holder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Debenture Holder or not) as his proxy to attend and vote instead of himself.
- (b) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Debenture Holder entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need not be a Debenture Holder.
- (c) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notary certified copy of the power of attorney shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (d) The instrument appointing a proxy shall:
- (i) be in writing; and
  - (ii) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (e) The instrument appointing a proxy shall be substantially in the format set out in Form MGT-11 in the Companies (Management and Administration) Rules, 2014, and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments.
- (f) Each Debenture Holder entitled to vote at a meeting of the Debenture Holders of the Company on any resolution to be moved thereat shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours

of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

- (g) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Debenture in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- (h) On a poll taken at any meeting of the Debenture Holders, a Debenture Holder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

**13. Scrutiny of Poll**

- (a) When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him.
- (b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (c) Of the two scrutineers appointed under this paragraph, one shall always be a Debenture Holder (not being an officer or employee of the Company) present at the meeting, provided such a Debenture Holder is available and willing to be appointed.

**14. Result of Poll**

- (a) Subject to the provisions of the Companies Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

**15. Joint Holders**

In the case of joint Debenture Holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the other joint holder or holders.

**16. Adjournment**

The Chairman of a meeting of the Debenture Holders may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**17. Chairman's vote**

In the case of equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debenture Holder.

**18. Transacting of Business**





The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

19. **Determination by Chairman**

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

20. **Powers of Debenture Holders and Exercise Thereof**

(a) **General**

A meeting of the Debenture Holders shall, *inter alia*, have the following powers exercisable in the manner hereinafter specified in this Schedule II (*Provisions for the Meetings of the Debenture Holders*):

- (a) power to sanction re-conveyance and release, substitution or exchange of all or any part of the Hypothecated Assets from all or any part of the principal monies and interest owing upon the Debentures;
- (b) power to sanction any compromise or arrangement proposed to be made between the Company and the Debenture Holders;
- (c) power to sanction any modification, alteration or abrogation of any of the rights of the Debenture Holders against the Company or the Hypothecated Assets whether such right shall arise under this Deed or in respect of the Debentures or otherwise;
- (d) power to assent to any scheme for reconstruction or amalgamation of or by the Company whether by sale or transfer of assets under any power in the Company's memorandum of association or otherwise under the Act or provisions of any Applicable Law;
- (e) power to assent to any modification of the provisions contained in this Deed and to authorise the Debenture Trustee to concur in and execute any supplemental deed embodying any such modification;
- (f) power to remove the existing Debenture Trustee and to appoint new trustee; and
- (g) power to give any direction, sanction, request or approval which under any provision of this Deed is required to be given by a Special Resolution.

(b) **Resolution of Debenture Holders**

- (i) The powers set out in this Schedule II (*Provisions for the Meetings of the Debenture Holders*) shall be exercisable by a Majority Resolution or a Special Resolution or a unanimous resolution passed at a meeting of the Debenture Holders duly convened and held in accordance with provisions herein contained.
- (ii) A resolution, passed at a general meeting of the Debenture Holders duly convened and held in accordance with these presents shall be binding upon all the Debenture Holders, whether present or not at such meeting, and each of the Debenture Holders shall be bound to give effect thereto accordingly.
- (iii) The passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with



the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

(c) **Exercise of Powers without meeting**

Notwithstanding anything herein contained, it shall be competent for the Debenture Holders to exercise the rights, powers and authorities of the Debenture Holders under this Deed by a letter or letters signed by or on behalf of the Majority Debenture Holders or the Special Majority Debenture Holders or all the Debenture Holders, as the case may be, without convening a meeting of the Debenture Holders as if such letter or letters constituted a Majority Resolution or a Special Resolution or a unanimous resolution, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

21. **Written Consent of Debenture Holders**

- (a) For any written consent of the Debenture Holders, the Debenture Trustee (or as applicable, the Company or a Debenture Holder) shall provide a notice in writing to the last available address of each Debenture Holder at least 10 (ten) Business Days prior to the date on which any decision is required to be made or consent is required to be provided.
- (b) The record date of such notice shall be the date falling 3 (three) Business Days prior to the date of dispatch of such notice.
- (c) If the notice specifies any notice period, then any consents received after such notice period will not be accepted.
- (d) Notwithstanding (a) to (c) above, the Debenture Holders can ratify any shorter notice depending on the reasons given/prevaling circumstances on a case to case basis.
- (e) The Debenture Holders can to submit their consent only in written form to the Debenture Trustee.

22. **Minutes**

- (a) Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Debenture Trustee at the expense of the Company.
- (b) Any such minutes as aforesaid, if purported to be signed by the chairman of the meeting at which such resolutions were passed or proceeding held or by the chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.



**SCHEDULE III  
INTEREST PAYMENT SCHEDULE**

S.No	Record Date	Due Date	Interest Per Debenture	Principal Per Debenture	Cash flows	No. of days
1	15-11-2024	30-11-2024	925.75		925.75	31
2	15-12-2024	30-12-2024	895.89		895.89	30
3	15-01-2025	30-01-2025	925.75		925.75	31
4	13-02-2025	28-02-2025	866.03		866.03	29
5	15-03-2025	30-03-2025	895.89		895.89	30
6	15-04-2025	30-04-2025	925.75		925.75	31
7	15-05-2025	30-05-2025	895.89		895.89	30
8	15-06-2025	30-06-2025	925.75		925.75	31
9	15-07-2025	30-07-2025	895.89		895.89	30
10	15-08-2025	30-08-2025	925.75		925.75	31
11	15-09-2025	30-09-2025	925.75		925.75	31
12	15-10-2025	30-10-2025	895.89		895.89	30
13	15-11-2025	30-11-2025	925.75		925.75	31
14	15-12-2025	30-12-2025	895.89		895.89	30
15	15-01-2026	30-01-2026	925.75		925.75	31
16	13-02-2026	28-02-2026	866.03		866.03	29
17	15-03-2026	30-03-2026	895.89		895.89	30
18	21-04-2026	06-05-2026	1,104.93	1,00,000.00	1,01,104.93	37

For EARLY SALARY SERVICES PVT. LTD.

AUTHORISED SIGNATORY



**SCHEDULE IV  
REDEMPTION SCHEDULE**

<b>Record Date</b>	<b>Due Date</b>	<b>Interest Per Debenture</b>	<b>Principal Per Debenture</b>	<b>Cash flows</b>	<b>No. of days</b>
21-04-2026	06-05-2026	1,104.93	1,00,000.00	1,01,104.93	37


For EARLY SALARY SERVICES PVT. LTD.

  
AUTHORISED SIGNATORY



**SIGNATURE PAGE**

IN WITNESS WHEREOF the Debenture Trustee and the Company have caused this debenture trust deed to be executed by their authorised signatories on the Effective Date.

SIGNED AND DELIVERED BY	)	
<b>EARLYSALARY SERVICES PRIVATE LIMITED</b>	)	
the within named <b>Company</b>	)	For <b>EARLY SALARY SERVICES PVT. LTD.</b>
by its	)	
duly	)	
authorised signatory	)	<b>AUTHORISED SIGNATORY</b>
	)	
	)	
	)	

SIGNED AND DELIVERED BY  
**VARDHMAN TRUSTEESHIP PRIVATE LIMITED**  
the within named **Debenture Trustee**  
by its duly authorised signatory

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For Vardhman Trusteeship Pvt. Ltd.

  
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Authorised Signatory